

SOUTH TEXAS COLLEGE
BOARD OF TRUSTEES REGULAR MEETING
Tuesday, October 28, 2014 @ 6:00 p.m.
Ann Richards Administration Building Board Room
Pecan Campus, McAllen, Texas 78501

AGENDA

“At anytime during the course of this meeting, the Board of Trustees may retire to Executive Session under Texas Government Code 551.071(2) to confer with its legal counsel on any subject matter on this agenda in which the duty of the attorney to the Board of Trustees under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with Chapter 551 of the Texas Government Code. Further, at anytime during the course of this meeting, the Board of Trustees may retire to Executive Session to deliberate on any subject slated for discussion at this meeting, as may be permitted under one or more of the exceptions to the Open Meetings Act set forth in Title 5, Subtitle A, Chapter 551, Subchapter D of the Texas Government Code. At this meeting, the Board of Trustees may deliberate on and take any action deemed appropriate by the Board of Trustees on the following subjects:”

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- II. Determination of Quorum
- III. Invocation
- IV. Public Comments
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 - A. Presentation on the Valley Scholars Program’s 9th Annual *A Night with the Stars*
 - B. Presentation on Recognition of Public Relations and Marketing Staff Recognition by the National Council for Marketing & Public Relations
 - C. Presentation on South Texas College Drama Department Fall 2014/Spring 2015 Season
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 - 3) Online Defensive Driving Training (Award)
 - 4) Travel Package for TexPrep Program (Reject)
 - 5) Advertisement Agreement – Buses (Purchase)
 - 6) Advertisement Agreement – Continuing Education (Purchase)
 - 7) Catering Services (Purchase)
 - 8) Computers, Laptops and Tablets (Purchase)
 - 9) Digital Advertising Agreement (Purchase)
 - 10) Furniture (Purchase)
 - 11) Overnight Delivery Services (Purchase)
 - 12) Police Equipment and Accessories (Purchase)
 - 13) Police Vehicle Equipment and Accessories (Purchase)
 - 14) Servers (Purchase)
 - 15) Science Instructional Supplies and Equipment (Purchase)
 - 16) Student Information Distribution Services (Purchase)
 - 17) Testing Materials - CAAP (Purchase)
 - 18) Web-Network Advertisement Agreement (Purchase)
 - 19) Welding Supplies and Gases (Purchase)
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- 33) Billboard Advertising Space (Lease/Purchase)
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A. Next Meetings:

- Education and Workforce Development Committee Meeting, Thursday, November 13th, 2014 at 3:30 p.m., Ann Richards Administration Building Board Room, Pecan Campus, McAllen, Texas
- Facilities Committee Meeting, Thursday, November 13th, 2014 at 4:30 p.m., Ann Richards Administration Building Board Room, Pecan Campus, McAllen, Texas
- Finance and Human Resources Committee Meeting, Thursday, November 13th, 2014 at 5:30 p.m., Ann Richards Administration Building Board Room, Pecan Campus, McAllen, Texas
- Regular Meeting of the Board of Trustees, Tuesday, November 20th. 2014 at 5:30 p.m., Ann Richards Administration Building Board Room, Pecan Campus, McAllen, Texas

B. Other Announcements:

- The College will be closed November 27th – November 30th, 2014 in Observance of the Thanksgiving Holiday.
- South Texas College will hold a Commencement Ceremony on Sunday, December 14th, 2014, at 3:00 p.m., at the McAllen Convention Center, 700 Convention Center Blvd., McAllen, TX 78501.

XI. Adjournment

Presentations

Presentation on the Valley Scholars Program's 9th Annual A Night with the Stars

On Thursday, October 9, 2014, The Valley Scholars Program hosted their 9th annual *A Night with the Stars*, a fundraiser gala whose proceeds directly benefit the Valley Scholars scholarship program.

Dr. Anahid Petrosian and Mrs. Jessica Garcia, Valley Scholars Program Coordinator, will provide a brief presentation on this year's benefit, the best to date.

Presentation on Recognition of Public Relations and Marketing Staff Recognition by the National Council for Marketing & Public Relations

The South Texas College Office of Public Relations and Marketing has continued to win national accolades for their wonderful work developing marketing campaigns for the College's programs.

This year, South Texas College is proud to announce that Mr. Daniel Ramirez, South Texas College Director of Public Relations and Marketing, has been honored as the *National Council for Marketing & Public Relations* 2014 District 4 Communicator of the Year, and has been nominated for the national Communicator of the Year Award, to be determined and announced in March 2015.

In addition to this great recognition of Mr. Ramirez and his team, they were honored with the following 2014 Medallion Awards:

Gold Medallion

- STC Social Media - *Social Marketing*

Silver Medallion

- STC Course Catalog - *Printed Academic Catalog*
- STC Course Schedule - Fall 2014 - *Printed Class Schedule - Div. B*
- Staying Connected Special Editions - Fall 2013 & Summer 2014 - *Newsletter*
- STC Viewbook - *Viewbook*
- STC Library Art Gallery Exhibits Brochures (Spring 2014) - *Brochure Flyer Series*
- STC Welcome Back Fridays - *Postcard*
- 2013 Bond & Maintenance Election - *Government Relations or Community Relations Projects*

Bronze Medallion

- South Texas College Diesel Technology Program - *College Promotional Video*

Presentation of South Texas College Drama Department's Fall 2014/Spring 2015 Season

Mr. Joel Jason Rodriguez, Drama Instructor, will presentation on the South Texas College Drama Department's Fall 2014/Spring 2015 season production schedule.

Report on the Association of Community College Trustees (ACCT) 2014 National Leadership Congress

Board Secretary Mr. Paul R. Rodriguez and Trustees Ms. Rose Benavidez and Mr. Gary Gurwitz attended the Association of Community College Trustees (ACCT) 2014 National Leadership Congress.

The Board Members were joined by Dr. Shirley A. Reed, President; Dr. Anahid Petrosian, Vice President for Academic Affairs; and Dr. Ali Esmaeili, Dean for Math, Science, Bachelor Programs, and University Relations.

The Board Members and Administrators presented at five separate sessions, sharing South Texas Colleges programs and achievements with Trustees from throughout the nation.

Ms. Rose Benavidez was also elected to serve the Western Region on the ACCT Diversity Committee. On this committee, Ms. Benavidez will help the ACCT promote respect for diverse and underrepresented student populations and increased awareness of educational challenges and opportunities for students from all background.

Approval of Minutes

The following Minutes are submitted for Board approval:

1. September 23, 2014 Regular Board Meeting; and
2. October 20, 2014 Special Board Meeting

Recommendation:

It is recommended that the Board of Trustees of South Texas College approve the Minutes for Board Meetings as presented.

The following Minute Order is proposed for consideration by the Board of Trustees:

The Board of Trustees of South Texas College approves and adopts the Minutes for Board Meetings as presented.

Approval Recommended:

Shirley A. Reed, M.B.A., Ed.D.
President

SOUTH TEXAS COLLEGE
BOARD OF TRUSTEES REGULAR BOARD MEETING
Tuesday, September 23, 2014 at 5:30 p.m.
Ann Richards Administration Building Board Room
Pecan Campus, McAllen, TX 78501

Minutes

Call Meeting to Order:

The Regular Board Meeting of the South Texas College Board of Trustees was held on Tuesday, September 23, 2014 in the Ann Richards Administration Building Board Room at the Pecan Campus in McAllen, Texas. The meeting commenced at 5:30 p.m. with Mr. Roy de León, Chair, presiding.

Members present: Mr. Roy de León, Dr. Alejo Salinas, Jr., Mr. Paul Rodriguez, Ms. Rose Benavidez, Mrs. Graciela Farias, Mr. Gary Gurwitz, and Mr. Jesse Villarreal

Members absent: None

Also present: Dr. Shirley A. Reed, Mr. Chuy Ramirez, Mrs. Mary Elizondo, Dr. Anahid Petrosian, Mrs. Wanda Garza, Mr. Gerry Rodriguez, Mrs. Becky Cavazos, Mr. George McCaleb, Mr. Daniel Ramirez, Ms. Alicia Gomez, Mr. Matthew Hebbard, Ms. Maricela Silva, Mr. Paul Varville, Sgt. Ruben Suarez, Dr. Ety Bischoff, Dr. Eric Reittinger, Ms. Merrie Van Loy, Mr. Luis Figueroa, Mr. Humberto Rodriguez, Ms. Julie Silva, Mr. Chris Remington, Mr. Bob Simpson, Mr. Trey Murray, Mr. Michael Hovar, Mr. Steve Taylor, Dr. Les Rydl, Mrs. Fern McClaugherty, Mr. Chris Kupper, Mr. Randy Jarvis, and Andrew Fish.

Determination of a Quorum

A quorum was present and a notice of the meeting was posted.

Invocation:

Mr. Matt Hebbard, Dean for Enrollment Services and Registrar, said the invocation.

Public Comments:

Dr. Lester Rydl, Ms. Fern McClaugherty Mr. Chris Kupper, and Mr. Randy Jarvis signed up to make public comments to the Board. Each speaker was given up to five minutes, and addressed the Board to make public comments.

The first three speakers spoke regarding their opposition to the proposed 2014 Tax Rate.

The fourth and final speaker began to address personal personnel matters, and legal counsel asked the speaker to stop, stating that the public form is not the appropriate place for such matters. Legal counsel advised the Chair not to permit comments of that nature. The speaker ended his comments and took his seat.

Review and Recommend Action on Order Adopting the Tax Rate for 2014

Dr. Shirley Reed provided a presentation on the proposed 2014 Tax Rate, sharing background information on the need to expand the College's facilities, reviewing the bond and maintenance tax election in November 2013, and addressing concerns brought up during the public hearings held at previous Board meetings.

The Board wished to convene into Executive Session prior to action on the proposed 2014 Tax Rate. Legal counsel anticipated the need to discuss another matter in executive session, and asked for permission to include an additional item as posted on the meeting agenda. Recognizing that several visitors attended the meeting primarily to observe the discussion and action on the proposed 2014 tax rate, the Chair determined that the Board would only consider the matter at hand, and any discussion of a subsequent item could occur at the appropriate later time.

Executive Session:

The South Texas College Board of Trustees convened into Executive Session at 5:55 p.m. in accordance with Chapter 551 of the Texas Government Code for the specific purpose provided in:

- Section 551.071, Consultations with Attorney

1. Review and Recommend Action on Order Adopting the Tax Rate for 2014

Open Session:

The South Texas College Board of Trustees returned to Open Session at 6:15 p.m. No action was taken in Executive Session.

Approval by record vote of the Order establishing the tax rate for the 2014 tax year was requested. Approval of the order was necessary to levy the tax for the 2014 tax year.

Chapter 26 of the Property Tax Code required taxing units to comply with truth-in-taxation laws in adopting the tax rate. The laws had two purposes: to make taxpayers aware of tax rate proposals and to allow taxpayers, in certain cases, to rollback or limit a tax increase. The truth-in-taxation required a taxing unit to calculate two (2) tax rates after receiving the certified appraisal roll from the chief appraiser the effective tax rate and the rollback tax rate.

Comparing a proposed a rate to these two (2) rates determined which truth-in-taxation steps apply. A taxing unit must publish special notices and hold two public hearings before adopting a tax rate that exceeded the lower of the effective tax rate or the rollback tax rate.

The notice concerning the 2014 Property Tax Rate and the Notice of Public Hearing on Tax Increase were published in accordance with the Truth-In-Taxation requirements in the Monitor and the Starr County and Mid Valley Town Crier newspaper and the College's website. Copies of the Proposed 2014 Tax Presentation, 2014 Property Tax Rates, the Notice of Public

Hearing on Tax Increase, and the Notice of Tax Revenue Increase were included in the Board packet for the Trustees’ information and review.

Homesteads of homeowners 65 or older or Disabled who had filed the proper tax exemption were exempt from any STC property tax rate increase. This action was approved by the Board of Trustees on October 24, 2005.

The tax rate for 2013 Tax Year was as follows:

2013 Tax Rate			
	M & O Rate	Debt Rate	Rate
2013 Tax Rate	\$0.1100	\$0.0400	\$0.1500

The voters of Hidalgo County and Starr County, as the result of the November 5, 2013 Bond and Maintenance Tax election, approved increasing the maximum M & O tax rate from \$0.1100 to \$0.1400 and the issuance of \$159M in construction bonds which would require an approximate increase in the debt service tax rate of \$0.005 for a total debt service tax rate of \$0.0450, as presented below:

2013 and 2014 Tax Rates			
	M&O Rate	Debt Rate	Rate
2013 Maximum Tax Rate	\$0.1100	\$0.0400	\$0.1500
Bond and Maintenance Tax Election – Voter Approved	\$0.0300	\$0.0050	\$0.0350
Proposed 2014 Maximum Tax Rate	\$0.1400	\$0.0450	\$0.1850

The Tax Assessors for Hidalgo County and Starr County determined South Texas College’s tax rates to be the following:

2014 Tax Rates				
	M&O Rate	Debt Rate	Rate	Revenue
Effective Tax Rate	---	---	\$0.1472	\$44,722,572
Rollback Tax Rate	\$0.1166	\$0.0450	\$0.1616	\$48,716,502
<i>Proposed Tax Rate</i>	<i>\$0.1400</i>	<i>\$0.0450</i>	<i>\$0.1850</i>	<i>\$55,206,638</i>

The South Texas College Board of Trustees held two public hearings, the first on September 11, 2014 and the second on September 18, 2014, and published special notices as required by truth-in-taxation laws prior to adopting the proposed tax rate of \$0.1850.

Approval to adopt a debt service rate of \$0.0450 and maintenance and operations rate of \$0.1400 was required. Approval of the Order required a roll call vote of the members of the Board. A copy of the Order was included in the packet for the Board’s review.

Mr. Gary Gurwitz made the following motion:

“I move that the property tax rate be increased by the adoption of a tax rate of \$0.1850, which is effectively a 25.68 percent increase in the tax rate, and with the following clarification that by virtue of an election held on November 5, 2013, the proposed tax rate was approved by the voters of Hidalgo and Starr Counties, and South Texas College was authorized to levy, assess and collect an additional three cents annual ad valorem tax on each one hundred dollars valuation for the further operation and maintenance of the South Texas College, at a rate not to exceed fourteen cents.” Mrs. Graciela Farias second the motion.

Mr. Paul R. Rodriguez asked the Chair for an opportunity to address the audience and those watching the stream prior to the vote on the proposed motion.

Mr. Rodriguez stated that he holds a great amount of respect for the public comments portion of meetings, because it is critical that government hear from all of its constituents.

This board has certainly listened to comments made at these meetings. Mr. Rodriguez shared that the Board is in a difficult position because it is not allowed to respond directly to comments as they are made.

Mr. Rodriguez wanted to be clear that the Board does listen, they do hear, and they do understand the concerns expressed. This issue was not something they took lightly.

Mr. Rodriguez announced that when he joined the Board two years previously, there was already discussion of a prospective bond issuance and tax increase. Because of this, he toured the campuses and made great efforts to learn about the College’s programs and degrees.

What the Board was considering, and what the voters approved, was an increase much less than what some advised was ideal. The Board thought this was the most reasonable increase that could be proposed.

Mr. Rodriguez stated that when you see South Texas College’s students, the student body consists of all kinds of people.... The Trustees face all kinds of demands from their constituents. It is extremely critical to the Board that the College be reasonably able to satisfy those needs. When the College has to turn people away from the offered program due to a lack of room or staff that is not good for anyone. That need to expand to meet demand was why the Board proposed this increase.

Mr. Rodriguez announced that the Trustees prepared for this issue long before the election. They did a lot to try to get the message out to all of their constituents in both counties. They were as vocal and transparent as they could be.

Mr. Rodriguez wanted the public to know that they have listened, and they continue to listen to all of the people. And because of that, he announced his intention to vote for this issue.

Dr. Reed called for a roll-call vote of the Board on the proposed motion. All seven Trustees voted for the motion, and the motion carried.

Approval of Minutes

The following Minutes were submitted for Board approval:

1. August 26, 2014 Public Hearing and Special Board Meeting on the FY 2014-2015 Budget;
2. August 26, 2014 Regular Board Meeting;
3. September 11, 2014 Public Hearing and Special Meeting on the Proposed 2014 Tax Rate;
4. September 11, 2014 Special Board Meeting; and
5. September 18, 2014 Public Hearing and Special Meeting on the Proposed 2014 Tax Rate.

Due to the timing of the delivery of packets for Board review, the Minutes for the September 18, 2014 Public Hearing and Special Meeting on the Proposed 2014 Tax Rate were not ready at the time of publication. These were provided under separate cover for Board review.

Upon a motion by Dr. Alejo Salinas, Jr. and a second by Mr. Jesse Villarreal, the Board of Trustees of South Texas College approved the Minutes for the Board Meetings as presented. The motion carried.

Approval and Authorization to Accept Grant Award(s)

Authorization to accept and approve the following grant award(s) and use of related funds as authorized by each grant was requested:

1. The “STC In FOCUS - *Focus On Creating Ultimate Student Success*” Grant from the U.S. Department of Education in the amount of \$2,568,075

This Hispanic Serving Institution (HSI) grant from the U.S. Department of Education would begin October 1, 2014 and would continue through September 30, 2019. The Department of Education made grant funds available for research and development of STC in FOCUS:

- Faculty would receive professional development in Active Learning pedagogy to heighten student learning, and Active Learning Classrooms (ALC) would be added to facilitate student engagement in learning through collaborative group work;
- The Active Learning Classrooms/FOCUS Academy component would provide the resources to train STC faculty in the best practices in active learning and to implement those techniques in classrooms specifically designed to support active learning, engagement, and collaboration;

- The Faculty Advising component would significantly strengthen South Texas College's faculty advising program to help connect students with their faculty members, academic and career opportunities as well as all of the resources available to assist them at South Texas College; and
- The infrastructure support component with Blackboard Collaborate Software would be instrumental in increasing access to nursing program courses for Starr County students by making it possible for courses at the NAH Campus to be broadcast online in real-time to the Starr County Campus.

As part of these efforts, STC would implement STC in FOCUS grant funds to increase the higher education success of Hispanic and low-income populations.

The various components of this grant met South Texas College's Strategic Directions: (1) Clear Pathways, (2) Access and Success, (3) High Success Rate, (4) Collective Responsibility, (5) Collaboration, and (6) Cost Efficiency.

2. The City of McAllen Phase 18 Grant Award from the City of McAllen in the amount of \$500,000

This award was for the period of October 1, 2014 through September 30, 2015.

This award would provide customized training for 650 new and incumbent workers and would support job creation and retention activities under this initiative. Authorization was also requested to expend funds as required by the grant.

3. The Wagner-Peyser 7(B) Governor's STC Advanced Manufacturing Partnership Initiative and the Texas Workforce Commission funding in the amount of \$300,000

This award was for the period of October 1, 2014 through September 30, 2015.

This grant would help continue STC's efforts to provide quality services and training for its service area of Hidalgo and Starr Counties to 1,200 anticipated new participants and provide an opportunity to develop new skills and obtain FESTO Certification. This training center would serve as a model that could be replicated throughout the state.

4. Alternative Teacher Certification in the amount of \$24,000

The "Alternative Teacher Certification" grant from the Intercultural Development Research Association was awarded from August 1, 2014 through July 31, 2015 and would fund STC's Continuing Education to provide internship training and field supervision to eight (8) teacher interns participating in the Alternative Teacher Certification Program.

5. Additional funds for VIDA College Prep Academy in the amount of \$26,600

These additional funds of \$26,600 for the “VIDA College Prep Academy” grant from Valley Initiative for Development and Advancement would support continuation of the program from June 27, 2014 through December 19, 2014. The total award amount was now \$98,600.

With this additional funding, STC’s Continuing Professional and Workforce Education would provide 480 hours of College Prep Academy training to address the needs of VIDA’s clients in the Rio Grande Valley. The targeted number of participants to be served was 26.

6. Career Pathways to High-Wage High-Demand Welding Jobs in the amount of \$5,000

The “Career Pathways to High-Wage High-Demand Welding Jobs” grant from The Rotary Club of McAllen is awarded October 1, 2014 through September 30, 2015. Under this grant, STC’s Continuing Education department will provide 256 hours of Welding Certification training to 12 students while The Rotary Club of McAllen will pay for welding materials and supplies required for the certification training.

7. The “Child and Adult Care Food Program” grant from Texas Department of Agriculture in the amount of \$65,639.49

This grant from Texas Department of Agriculture begins October 1, 2014 and would continue through September 30, 2015.

The Texas Department of Agriculture made grant funds available to support the Mid Valley Child Care Center’s child nutrition program October 1, 2014 through September 30, 2015. These funds supported the provision of nutritious meals to the children enrolled at Mid Valley Child Care Center, preparation of reports, and other activities.

This grant met South Texas College’s Strategic Direction Five with beneficial community and education partnerships that created a collective impact on student success.

The approved grants would provide up to \$3,489,314.49 in additional funding for the College to provide services and opportunities throughout the region.

Upon a motion by Ms. Rose Benavidez and a second by Mr. Jesse Villarreal, the Board of Trustees approved and authorized acceptance of the grant awards as presented and use of related funds as authorized by each grant, contingent upon official award as appropriate. The motion carried.

Approval and Adoption of the Board of Trustees and Board Committee Meeting Schedule for FY2014-2015

The Board of Trustees for South Texas College was asked to approve and adopt the following schedule of Board and Board Committee meetings for the period from September 2014 through September 2015.

The proposed meeting schedule for the Board of Trustees was as follows:

<u>Weekday</u>	<u>Date</u>	<u>Meeting Time</u>
Tuesday	September 23, 2014	5:30 p.m.
Tuesday	October 28, 2014	5:30 p.m.
Thursday	November 20, 2014	5:30 p.m.
Tuesday	December 16, 2014	5:30 p.m.
Tuesday	January 27, 2015	5:30 p.m.
Tuesday	February 24, 2015	5:30 p.m.
Tuesday	March 31, 2015	5:30 p.m.
Tuesday	April 28, 2015	5:30 p.m.
Tuesday	May 26, 2015	5:30 p.m.
Tuesday	June 23, 2015	5:30 p.m.
Tuesday	July 28, 2015	5:30 p.m.
Tuesday	August 25, 2015	5:30 p.m.
Tuesday	September 22, 2015	5:30 p.m.

A full calendar view of the proposed Committee and Board meeting schedule was provided in the packet for the Board's information.

This schedule was reviewed by each Committee during their September 11, 2014 meetings, and each recommended Board approval.

Upon a motion by Dr. Alejo Salinas, Jr. and a second by Mrs. Graciela Farias, the Board of Trustees of South Texas College approved and adopted the Board and Board Committee meeting schedule for FY 2014-2015 as presented. The motion carried.

Review of Education and Workforce Development Committee Items

The following items were presented to and discussed with the Education and Workforce Development Committee. No action was requested of the Committee or the Board:

1) Presentation on Professional and Organizational Development Opportunities at South Texas College

Dr. Anahid Petrosian, Vice President for Academic Affairs, introduced Ms. Lee Grimes, Associate Dean of Professional and Organizational Development. Ms. Grimes presented on the many programs developed and maintained by the Office of Professional and Organizational Development.

The Office of Professional and Organizational Development provides a variety of academies and programs for faculty and staff in alignment with institutional initiatives and priorities, including:

- College-wide Events
- Faculty Development
- Staff Development
- Organizational Development

These programs provide many opportunities for faculty and staff to engage in professional, organizational and personal development. This focus on continual development contributes to the culture of highly-motivated and highly-skilled faculty and staff that makes South Texas College a world class institution.

In addition to the established programs, the Office of Professional and Organizational Development coordinates with college administration and staff to seek out opportunities to develop and offer customized workshops to provide focused training on an as-needed basis. This allows the College to meet its commitment to being dynamically responsive to the growing needs of its students, faculty, and staff.

The Committee expressed an interest in ideas on how the Board may be able to help incentivize participation in these professional and organizational development programs hosted by Ms. Grimes' department. Ms. Grimes thanked them for the support, and asked for time to consider how further incentives might be developed and integrated.

2) Presentation on “T-STEM Challenge Scholarships” Funded by a Grant from the Texas Higher Education Coordinating Board

The Texas Higher Education Coordinating Board (THECB) awarded South Texas College a grant in the amount of \$263,160 to be used to provide 100 scholarships in the amount of \$2,500 to students with a Science, Technology, Engineering, or Math (STEM) major. This award was approved and accepted by the Board on August 26, 2014, and was the third and final award year under the current THECB T-STEM Challenge Scholarships program.

In 2011, the 82nd Legislature passed a bill to address the state's need to increase student interest in and completion of STEM programs. The THECB set up a grant to provide qualifying Texas public community and technical colleges with scholarship funding to incentivize students to enter and succeed in these programs.

These funds were provided to South Texas College with no requirement of cost sharing or fund matching. \$250,000 was awarded to students over FY 2014-2015, with a focus on underserved and low income students. In addition to the direct scholarship award, these students were required to participate in career readiness workshops that will help them develop their resume and interview skills and will teach them to use the STC Job board. The remaining \$13,160 helped defray program administration costs and services for scholarship recipients.

Mr. Miguel Carranza, Associate Dean for Student Financial Services and Veterans' Affairs, provided the Committee with a review of the program, and responded to questions regarding student selection, award, and program success.

3) Presentation on Precision Manufacturing Technology

Dr. Anahid Petrosian, Vice President for Academic Affairs, introduced Mr. Daniel Morales, Chair, Precision Manufacturing Technology program.

The Precision Manufacturing Technology program at South Texas College was the first in the State of Texas to earn the National Institute for Metalworking Skills (NIMS) accreditation. This accreditation establishes the value of a South Texas College Associate Degree or Certificate in Precision Manufacturing Technology to the NIMS stakeholders base of over 6,000 metalworking companies nationwide.

The major trade associations in the industry have invested over \$7.5 million in private funds for the development of the NIMS standards and its credentials, including:

- Association for Manufacturing Technology,
- National Tooling & Machining Association,
- Precision Machine Products Association,
- Precision Metal-forming Association, and
- Tooling and Manufacturing Association.

These associations also contribute annually to sustain NIMS operations and were committed to the upgrading and maintenance of the standards.

In addition to discussing the NIMS credentialing, Mr. Morales provided the Committee with a review of the skills taught to students in the PMT program and reviewed the many efforts made to keep the training given to students immediately relevant to the trade skills needed for employability. Mr. Morales shared the various outreach efforts undertaken by his program that have led to a very successful placement strategy for graduates; the previous year 100% of the graduates found work in their field, and Mr. Morales was confident that future graduates would have just as much success.

These items were for the Committee's review and feedback to staff only, and no action was requested.

Review and Action as Necessary on Award of Proposals, Purchases, and Renewals

Approval of the following proposal awards, purchases, and renewals was requested.

Items #1 – 21 were reviewed by the Finance and Human Resources Committee, which recommended approval.

Item #22 was an emergency purchase to replace worn components of the College's UPS (Uninterruptible Power Supply) system. The UPS system provided power to critical computer and network equipment during power outages. During brief power outages due to thunderstorms, the UPS system was not adequate to meet the network requirements. Testing revealed that components of the UPS system needed to be replaced, and the system would not be adequate until such replacement took place. The College President authorized an emergency purchase, as allowed by Policy, and submitted the item for ratification by the Board as a purchasing item.

- 1) Beverage Products (Award):** award the proposal for beverage products to PepsiCo (Hidalgo, TX), for the period beginning October 13, 2014 through October 12, 2015 with two one-year options to renew, at an estimated cost of \$50,000.00 based on prior year expenditures. PepsiCo has also included \$15,000.00 annual discretionary payment to the College;
- 2) Management and Leadership Training Services (Award):** award the proposal for management and leadership training services to PD Partners (East Lansing, MI) for the period beginning October 1, 2014 through September 30, 2015 with two one-year options to renew, at an estimated cost of \$20,000.00;
- 3) On-Line Auction Services (Award):** award the proposal for on-line auction services to The Public Group (Provo, UT) for the period beginning October 1, 2014 through September 30, 2015 with two one-year options to renew, at no charge to the College;
- 4) Projector Lamps III (Award):** award the proposal for projector lamps III to Howard Technology Solutions (Ellisville, MS) for the period beginning September 24, 2014 through September 23, 2015 with two one-year options to renew, at an estimated cost of \$12,021.00;
- 5) Advertisement – Classified Ads (Purchase):** purchase advertisement – classified ads from AIM Media Texas/The Monitor (McAllen, TX), a sole source vendor, for the period beginning September 1, 2014 through August 31, 2015, at an estimated cost of \$80,000.00;
- 6) Crime Records Services (Purchase):** purchase crime records services from the Texas Department of Public Safety (DPS) (Austin, TX), a sole source vendor, for the period beginning September 1, 2014 through August 31, 2015, at an estimated cost of \$12,000.00 which is based on prior year expenditures;
- 7) Electrical Parts and Supplies (Purchase):** purchase electrical parts and supplies from Dealers Electric Supply, Co. (McAllen, TX), a Texas Cooperative Purchasing Network

- (TCPN) approved vendor, for the period beginning September 1, 2014 through August 31, 2015, at an estimated amount of \$25,000.00 based on prior year expenditures;
- 8) Professional Market Research Services (Purchase):** purchase professional market research services from Richards Carlberg, Inc./dba Richards/Carlberg, a sole source vendor, for the period beginning October 1, 2014 through August 31, 2015, at an estimated cost of \$261,000.00;
 - 9) Registration Advertisement Agreement (Purchase):** purchase a registration advertisement agreement from National CineMedia, LLC. (Centennial, CO), a sole source vendor, for the period beginning October 1, 2014 through July 31, 2015, at an estimated amount of \$44,180.00
 - 10) Sponsorship Advertisement Agreement (Purchase):** purchase a sponsorship advertisement agreement from RGV Basketball, LLC. (McAllen, TX), a sole source vendor, for the period beginning September 26, 2014 through April 30, 2015, at a total cost of \$42,000.00;
 - 11) Web Conferencing Software (Purchase):** purchase web conferencing software from Blackboard, Inc. (Pittsburgh, PA), a sole source vendor, for the period beginning October 1, 2014 through September 30, 2015, at a total cost of \$63,361.70;
 - 12) Computer Based Coursework Agreement (Renewal):** renew the computer based coursework agreement with Edgenuity, Inc. (Scottsdale, AZ), a sole source vendor, for the period beginning October 1, 2014 through September 30, 2015, at a total cost of \$27,880.00;
 - 13) Information and Research Databases (Renewal):** renew the information and research databases with ProQuest, LLC. (Chicago, IL), a sole source vendor, for the period beginning November 1, 2014 through October 31, 2015, at a total cost of \$29,040.00;
 - 14) Library Database Subscription (Renewal):** renew the library database subscription with EBSCO Publishing/dba EBSCO Information Services Group (Ipswich, MA), a sole source vendor, for the period beginning November 1, 2014 through October 31, 2015, at an estimated cost of \$14,213.00;
 - 15) Library Digital Video Subscription (Renewal):** renew the library digital video subscription with Film Media Group/Infobase Learning (New York, NY), a sole source vendor, for the period beginning July 1, 2014 through November 30, 2015, at a total cost of \$19,948.70;
 - 16) Lumber and Building Materials (Renewal):** renew the contracts for lumber and building materials for the period beginning October 1, 2014 through September 30, 2015, at an estimated cost of \$40,000.00 with the following vendors:
 - Diaz Floors & Interiors (Pharr, TX)
 - Lowe's #1702 (Pharr, TX)
 - McCoys Building Supply (Pharr, TX)
 - Pro Build (McAllen, TX)
 - 17) Online Books and Videos Database Subscription (Renewal):** renew the online books and videos database subscription with ProQuest, LLC. (Chicago, IL), a sole source vendor, for the period beginning November 1, 2014 through October 31, 2015, at a total cost of \$13,925.00;
 - 18) TexShare Library Database Program Participation (Renewal):** renew the TexShare library database program participation with Texas State Library and Achieves Commission (Austin, TX), a sole source vendor, for the period beginning September 1, 2015 through August 31, 2016, at a total cost of \$17,051.00. This fee is paid in advance and the vendor requires payment by October 31, 2014;

19)Time Clock Maintenance Agreement (Renewal): renew the time clock maintenance agreement with Troncoso's Time & Attendance (Pharr, TX), a sole source vendor, for the period beginning December 1, 2014 through November 30, 2015, at a total cost of \$21,738.00;

20)Welding Supplies (Renewal): renew the contracts for welding supplies for the period beginning October 1, 2014 through September 30, 2015, at an estimated cost of \$100,000.00 with the following vendors;

- Airgas USA, LLC. (McAllen, TX)
- Alamo Iron Works (Brownsville, TX)
- Matheson Gas Products (San Benito, TX)
- Weldinghouse, Inc. (Pharr, TX)

21)Facility Usage Interlocal Agreements (Lease/Rental): lease/rental facility usage interlocal agreements with the City of McAllen – McAllen Convention Center (McAllen, TX) for the period beginning September 1, 2014 through August 31, 2015, at an estimated cost of \$27,912.00.

22)Uninterruptable Power Supplies (UPS) (Emergency Purchase)

Purchase uninterruptable power supplies from SHI Government Solutions, Inc. (Austin, TX), a State of Texas Department of Information Resources (DIR) approved vendor, at a total cost of \$22,560.60.

SUMMARY TOTAL:

The total for all proposal awards, purchases, and renewals was \$943,831.00

Upon a motion by Mr. Paul R. Rodriguez and a second by Ms. Rose Benavidez, the Board of Trustees of South Texas College approved and authorized the proposal awards, purchases, and renewals as presented. The motion carried.

Review and Action as Necessary on Disposal of Surplus Property

Approval to dispose of surplus property valued at \$1,000 and over through The Public Group, a board approved vendor, was requested.

On September 19, 2011, the Board of Trustees awarded the contract for online auction services for a period beginning October 1, 2011 through September 30, 2012 with two one-year options to renew.

The surplus property went through an evaluation process by the departments to determine if the items were damaged beyond repair and unable to be utilized district wide.

The auction items were located at the South Texas College Receiving Department, 3700 W. Military Hwy., McAllen, TX. The online auction would begin on October 1, 2014 and continue until all items were sold.

A listing of the items to be auctioned was included in the packet for the Board's information.

The items valued under \$1,000 were not included in the College's inventory but were recorded in a database. The items valued at \$1,000 and over were recorded and maintained in the College's inventory system.

The Finance and Human Resources Committee recommended Board approval to dispose of surplus property valued at \$1,000 and over through The Public Group, a board approved vendor as presented.

Upon a motion by Mr. Paul R. Rodriguez and a second by Dr. Alejo Salinas, Jr., the Board of Trustees of South Texas College approved and authorized the disposal of surplus property valued at \$1,000 and over through The Public Group, a board approved vendor as presented. The motion carried.

Review and Recommend Action on Vendor for Operation of College Bookstore

Approval of a vendor for the operation of the College Bookstores was requested.

Bid proposals were solicited/advertised on June 23, 2014 and June 30, 2014 for the Operation of the College Bookstores. The proposals were opened on July 30, 2014. The new contract period for the operation of the college bookstores begins November 1, 2014.

Bid proposals were sent to six (6) vendors. Four (4) responses were received. A pre-bid conference was held on Tuesday, July 8, 2014 with representatives of four (4) different companies attending.

A bookstore consultant, Tom Byrne from Campus Bookstore Consulting (CBC), was contracted to review and analyze the proposals. The bookstore proposal analysis was provided to the STC staff evaluation committee. The evaluations were completed by the STC's evaluation committee. After review and evaluation of the proposals by the STC evaluation committee, the vendors were ranked as follows:

1. Barnes & Noble College Booksellers, LLC. (Basking Ridge, NJ)
2. Nebraska Book Company, Inc./dba Neebo (Lincoln, NE)
3. Follett Higher Education Group, Inc. (Westchester, IL)
4. BBA Solutions (Little Rock, AR)

The existing contract had the following conditions:

5 Year Term Percentage Rent	12% of all gross sales up to \$5,000,000 13% of all gross sales up to \$5,000,000
Minimum Annual Guarantee	\$450,000
One-Time Unrestricted Donation	\$325,000
Facility Investment	\$30,000-Invested \$380,000 in renovations in 2004
Technology Investment	Already invested in excess of \$50,000
Annual Textbook Scholarship	\$5,000

The RFP required the contracted vendor to adhere to the following textbook/course material pricing guidelines:

- “List-Priced” new textbooks shall be sold at no higher than list price.
- “Pre-Priced” new textbooks shall be sold at no higher than the pre-price.
- “Net-Priced” new textbooks shall be sold at no higher than a twenty-five percent (25%) gross profit margin.
- “Net-Priced” bundled packages of course materials (e.g. textbooks, workbook, CD, passcode, etc., bundled together) shall be sold at no higher than a twenty-five percent (25%) gross profit margin.
- Digital course materials sold by publishers to the contractor at net-price shall be sold by the Bookstore at no higher than a twenty-five percent (25%) gross profit margin.
- Digital course materials sold by publishers to the contractor via the agency fee pricing model shall be sold by the Bookstore at no higher than the retail price established by the publisher.
- Used textbooks shall be sold at no higher than seventy-five percent (75%) of the current new textbook retail price.
- Coursepacks and custom published materials (i.e., materials requiring copyright permissions) shall be sold at no higher than a twenty-five percent (25%) gross profit margin.
- New rental textbooks shall be rented at no higher than fifty percent (50%) of the current new textbooks retail price.
- Used rental textbooks shall be rented at no higher than fifty percent (50%) of the current used textbooks retail price.
- There shall be no add-ons or surcharges to cover freight, handling, publisher re-stocking fees, etc.

The Request for Proposals (RFP) included provisions which allowed the College to explore e-Texts and other textbook resources from other entities.

Mr. Byrne attended the Finance and Human Resources Committee meeting on Thursday, September 11, 2014 to discuss the proposals and answer questions. Mr. Byrne and staff advised the Committee that further review of the responses from the top two vendors prompted

the college to request further clarification regarding adherence to the pricing and the provisions in the Request for Proposals (RFP).

Mr. Byrne asked the Finance and Human Resources Committee to allow staff to request a “best and final” offer from the two top-ranked respondents, which would give them the opportunity to improve their financial offers and to clarify compliance with pricing and provisions outlined by the College in the RFP.

The two top-ranked vendors were given until noon on Monday, September 15 to submit their “best and final” offers. The offers were reviewed by the faculty and staff evaluation committee and Mr. Byrne. The offers have been ranked and are provided to the Board for consideration and action as necessary to select a vendor for the operation of the College Bookstores.

The following were provided for the Board’s review:

- Summary of “Best and Final” offers of two top-ranked vendors
- Staff Evaluation of “Best and Final” offers of two top-ranked vendors.
- Summary of Initial Financial Proposals and Staff Evaluation (Separate Cover)
- Consultant’s Analysis of Initial Bookstore Proposals (Separate Cover)
- Evaluation Form (Separate Cover)

On September 15, 2014, the College received the best and final offers from Barnes & Noble College Booksellers, LLC. and Nebraska Book Company, Inc./dba Neebo.

After reviewing the Financial Summary of the Original Proposals and the Best and Final Offers of the two top ranked companies as provided in the Board packet, the Board spoke with Mr. George McCaleb, Director of Operations and Maintenance and Chair of the committee that evaluated the response. Mr. McCaleb reviewed the comparison of the original and the best-and-final offers of the two top-ranked vendors and responded to questions from the Board.

Upon a motion by Mr. Paul R. Rodriguez and a second by Ms. Rose Benavidez, the Board of Trustees of South Texas College approved and authorized Barnes & Noble College Booksellers, LLC for the operation of the College Bookstores as presented. The motion carried.

Update on 2013 Bond Construction Program

Mr. Gilbert Gallegos, Senior Vice President with Broaddus & Associates, provided the Board with an update on the current status of the 2013 Bond Construction Program.

Mr. Gallegos informed the Board that responses to an RFQ solicitation for MEP and Civil engineering firms had been gathered, and were being reviewed by the firm and South Texas College staff.

Mr. Gallegos also informed the Board that he would provide a presentation on procurement options for construction firms, to give the Board a chance to explore the options available for

2013 Bond Construction Program projects, and to allow the Board's preference(s) to be reflected in the contracts drawn up for design services.

This item was for the Board's information and feedback to Broaddus & Associates and College staff, and no action was taken.

Review and Action as Necessary on Selection of Architectural Firms and Assignments of Construction Projects for the 2013 Bond Construction Program

Executive Session:

The South Texas College Board of Trustees convened into Executive Session at 6:45 p.m. in accordance with Chapter 551 of the Texas Government Code for the specific purpose provided in:

- Section 551.071, Consultations with Attorney

1. Review and Action as Necessary on Selection of Architectural Firms and Assignments of Construction Projects for the 2013 Bond Construction Program

Open Session:

The South Texas College Board of Trustees returned to Open Session at 7:10 p.m. No action was taken in Executive Session.

Approval of the selection of architectural firms and assignments to specific 2013 Bond Construction Program projects was requested.

Broaddus & Associates representatives along with STC staff attended the September 11, 2014 Facilities Committee meeting to provide an update on the evaluation of architect firms' statements of qualifications submitted for the 2013 Bond Construction Program.

On August 22, 2014 a total of seventeen (17) submittals were received in response to STC's solicitation of qualifications from architects for the 2013 Bond Construction Program. A team consisting of three Broaddus & Associates representatives and seven STC staff members completed evaluations of the submittals.

Evaluation of the architect's qualifications was completed and Broaddus & Associates prepared a recommendation for the Bond construction project assignments to firms based on evaluation of the information provided. This recommendation was based on the following general requirements:

1. Overall evaluation of each firm's qualifications, experience, and references
2. Ranking of each firm after evaluations

3. Project preferences as identified by each firm
4. Each firm’s unique experience and areas of specialization
5. Each firm’s capacity to manage each project size

At the Facilities Committee, the committee members discussed the proposed project assignments and recommended firms, and suggested further changes. After reviewing the final proposed project assignment listing, the Committee Chair asked Mr. Gilbert Gallegos with Broaddus & Associates whether the proposed assignments were feasible. Mr. Gallegos agreed that the proposed changes were reasonable and that the identified architectural firms were highly qualified to complete the assigned projects.

Spread sheets summarizing the information gathered during the evaluation team’s review and the proposed project assignments resulting from the Facilities Committee meeting were included in the Board packet.

The Facilities Committee recommended Board approval of the selection of architectural firms and assignments to specific 2013 Bond Construction Program projects as follows:

Recommended Firms	Proposed Project Assignments
Pecan Campus	
Boultinghouse Gates Architects Simpson	Pecan Campus - STEM Building
	Pecan Campus - South Academic Building
PBK Architects	Pecan Campus - North Academic Building
The Warren Architects Group	Pecan Campus - Student Activities Building and Cafeteria
Technology Campus	
EGV Architects	Technology Campus - Southwest Building Renovation
Nursing & Allied Health Campus	
ERO Architects	Nursing & Allied Health Campus Expansion
Mid Valley Campus	
ROFA Architects	Mid Valley Campus - STEM and other academic programs

Recommended Firms	Proposed Project Assignments
	Mid Valley Campus - Student Services Building Expansion
EGV Architects	Mid Valley Campus - Workforce Training Center Expansion
Mata & Garcia Architects, LLP	Mid Valley Campus - Library Expansion
Starr County Campus	
Mata & Garcia Architects, LLP	Starr County Campus - Library Expansion
	Starr County Campus - Student Services Building Expansion
	Starr County Campus - Health Professions and Science Building
	Starr County Campus - Student Activities Building Expansion
EGV Architects	Starr County Campus - Workforce Training Center Expansion
La Joya Jimmy Carter Teaching Site	
EGV Architects	La Joya Jimmy Carter Teaching Site Training Labs Improvements
Regional Center for Public Safety Excellence	
Pending Site Selection	Regional Center for Public Safety Excellence

Upon a motion by Mr. Gary Gurwitz and a second by Mr. Jesse Villarreal, the Board of Trustees of South Texas College approved and authorized the selection of architectural firms and assignments to specific 2013 Bond Construction Program projects as presented. The motion carried.

Review and Action as Necessary on Architectural and Engineering Services Fee Schedule

Approval of revised fee schedules for architectural and engineering services was requested.

Broaddus & Associates was asked to re-evaluate STC's current fee schedule and provide recommendations on updating the fee schedule if they determined it was appropriate. As a result of their evaluation, B&A determined that some modifications were warranted and would be beneficial to STC. B&A's evaluation of these fees included a comparison with other public institutions located locally and in other parts of the state.

The following tables were provided in the packet for review and consideration by the Board:

1. Recommended Fee structure proposed for Board action;
2. Samples of Architect Fee Schedules from Other Colleges for Instructional and Support Buildings;
3. Samples of Architect Fee Schedules from Other Colleges for Health, Science, and Performing Arts Buildings; and
4. STC's Architect/Engineering Fee Schedule approved in 2001.

The Facilities Committee recommended Board approval of a revised fee schedule for architectural and engineering services. During that meeting, concerns were expressed about the removal of a column in the previous fee schedule that provided rates for design projects for Portable Buildings, Garages, and Warehouses. In response to those concerns, Broaddus & Associates provided an updated fee schedule that included rates for Garages and Warehouses. These rates reflected a 75-basis point reduction from previous rates, consistent with the recommended fee schedule for other types of projects.

The proposed fee schedule did not include Portable buildings. Because portables would be purchased pre-fabricated, design projects related to their installation and service were expected to fall below the minimum range of this schedule, and would therefore be negotiated on a project-by-project basis.

The proposed revised fee schedule was consistent with the version recommended for Board approval by the Facilities Committee, with the only change being the additional column. Broaddus & Associates and staff asked the Board to consider the revised fee schedule as presented.

Mr. Paul R. Rodriguez had voiced concerns about the initial fee schedule, and it was these concerns that prompted the review and development of the new schedule. Mr. Rodriguez stated that he believed that projects for South Texas College could be negotiated below a still lower ceiling. He informed staff and the College's Construction Program Management firm, Broaddus & Associates, that he would specifically request details on design services negotiations.

Upon a motion by Mr. Gary Gurwitz and a second by Mrs. Graciela Farias, the Board of Trustees of South Texas College approved and authorized the revised fee schedule for architectural and engineering services as presented. Mr. Paul R. Rodriguez abstained from the vote. The motion carried.

Review and Action as Necessary on Amendment to the Inter-local Agreement with the City of McAllen for the Nursing & Allied Health Campus Property

Approval of amendment to Inter-local Agreement with the City of McAllen for the Nursing & Allied Health Campus Property was requested.

In December 2010 the City of McAllen and STC approved an Inter-local agreement for the conveyance of 6.63 acres of land for STC's Nursing & Allied Health Campus in McAllen, Texas. The inter-local agreement included a requirement stating that STC would build a five story instructional facility on the property within five years.

With the completion of STC's district wide master plan and development of the 2013 Bond Program, a four story facility was proposed to be constructed on the 6.63 acre site. Since the proposed four story structure did not meet the requirements of the inter-local agreement, STC administration submitted a formal written request to the City of McAllen to allow STC to build a four story facility instead of the five story facility as identified in the agreement.

The City of McAllen approved the College's request for the four story facility and prepared an amendment to the inter-local agreement. A copy of the inter-local agreement amendment was included in the Board packet for review by the Trustees.

The Facilities Committee recommended Board approval of the amendment to the Inter-local Agreement with the City of McAllen for the Nursing & Allied Health Campus 6.63 acre property as presented.

Upon a motion by Mr. Gary Gurwitz and a second by Mr. Jesse Villarreal, the Board of Trustees of South Texas College approved and authorized the amendment to the Inter-local Agreement with the City of McAllen for the Nursing & Allied Health Campus 6.63 acre property as presented. The motion carried.

Review and Action as Necessary on El Milagro Clinic Parking Lot License Agreement between El Milagro Clinic, the City of McAllen, and South Texas College for the Nursing & Allied Health Campus

Approval of El Milagro Clinic Parking Lot license agreement between El Milagro Clinic, the City of McAllen, and South Texas College was requested.

In November 2010 STC Board approved a license agreement for use of an 80 space vehicle parking lot located on the El Milagro Clinic property. The license agreement would expire in October, 2014 and a new agreement would need to be approved in order for STC to continue using the parking area.

El Milagro Director, Mrs. Grace Lawson, was contacted regarding this renewal and was coordinating approval of the new agreement from the El Milagro Board and the City of McAllen who were co-owners of the property. The Board packet included a copy of the proposed

license agreement, which allowed for the use of the parking lot for two years and the option to renew for two additional years. Mrs. Lawson recommended that the previous annual amount of \$1,000 be increased to \$1,250 for use of the parking lot.

The Facilities Committee recommended Board approval of the El Milagro Clinic Parking Lot license agreement between El Milagro Clinic, the City of McAllen, and South Texas College.

Upon a motion by Mr. Gary Gurwitz and a second by Mrs. Graciela Farias, the Board of Trustees of South Texas College approved and authorized the El Milagro Clinic Parking Lot license agreement between El Milagro Clinic, the City of McAllen, and South Texas College. The motion carried.

Review and Action as Necessary on Contracting Construction Services for the Pecan Campus Buildings A, G, H, and X Electrical Disconnects

Approval to select a contractor for the Pecan Campus Buildings A, G, H, and X Electrical Disconnects was requested.

In January 2014, the Board approved design services with ACR Engineering to prepare plans and specifications for these electrical disconnects. Funds for electrical disconnects to replace the existing ones which have met their lifecycle and have become a recurring maintenance problem were included in the FY 2014-2015 construction budget.

STC staff and ACR Engineering have issued the necessary plans and specifications for the solicitation of competitive sealed proposals. Solicitation of competitive sealed proposals for this project began on August 11, 2014. A total of two (2) proposals were received on September 3, 2014.

Timeline for Solicitation of Competitive Sealed Proposals	
August 11, 2014	Solicitation of competitive sealed proposals began.
September 3, 2014	Two (2) proposals were received.

Staff evaluated these proposals and included the proposal summary in the packet. It was recommended that the top ranked contractor be recommended for Board approval. Funds were budgeted in the FY 2014-2015 Construction budget for this project.

The Facilities Committee recommended Board approval to contract construction services with Metro Electric in the amount of \$101,121 for the Pecan Campus Buildings A, G, H, and X Electrical Disconnects project as presented.

Upon a motion by Mr. Gary Gurwitz and a second by Mr. Jesse Villarreal, the Board of Trustees of South Texas College approved and authorized contracting construction services

with Metro Electric in the amount of \$101,121 for the Pecan Campus Buildings A, G, H, and X Electrical Disconnects project as presented. The motion carried.

Review and Action as Necessary on Contracting Construction Services for the Technology Campus Cooling Tower Replacement

Approval to select a contractor for the Technology Campus Cooling Tower Replacement was requested.

In February 2014, the Board approved design services with Halff Associates to prepare plans and specifications for replacement of one HVAC cooling tower. Funds for the cooling tower replacement were included in the FY 2014-2015 construction budget.

Proposals were previously received and rejected due to cost exceeding the project budget. The Board of Trustees previously approved the rejections of proposals and authorized staff to work with the project engineer to value engineer and re-solicit proposals in an effort to reduce costs.

STC staff and engineers with Halff Associates revised the project plans and specifications and re-solicited competitive sealed proposals. Solicitation of competitive sealed proposals for this project began on August 11, 2014. A total of two (2) sets of construction documents were issued to general contractors, sub-contractors, and suppliers and a total of two (2) proposals were received on August 26, 2014.

Timeline for Solicitation of Competitive Sealed Proposals	
August 11, 2014	Solicitation of competitive sealed proposals began. Two (2) sets of construction documents were issued.
August 26, 2014	Two (2) proposals were received.

Staff evaluated these proposals and included the proposal summary in the Board packet. It was recommended that the top ranked contractor be recommended for Board approval. Funds were budgeted in the FY 2014-2015 Construction budget for this project.

This project exceeded the \$300,000 construction cost limitation used when contracting MEP Engineering services from the current pool of approved firms. All estimates prepared by the project engineer and STC staff before the solicitation of proposals indicated that construction cost would be less than \$300,000. Based on the work completed previously, including design, solicitation of proposals, rejection of proposals, re-design, value engineering, and re-solicitation of proposals, staff recommended approving the best values proposal as determined through the re-solicitation and evaluation process.

The Facilities Committee recommended Board approval to contract construction services with Pro Tech Mechanical in the amount of \$396,000 for the Technology Campus Cooling Tower Replacement project as presented.

Upon a motion by Mr. Gary Gurwitz and a second by Mrs. Graciela Farias, the Board of Trustees of South Texas College approved and authorized contracting construction services with Pro Tech Mechanical in the amount of \$396,000 for the Technology Campus Cooling Tower Replacement project as presented. The motion carried.

Review and Action as Necessary on Rejecting Construction Proposals for the Nursing & Allied Health Campus Parking Lot Expansion and Entry Drive

Approval to reject construction proposals for the Nursing & Allied Health Campus Parking Lot Expansion and Entry Drive was requested.

In May 2014, the Board approved design services with Perez Consulting Engineers (PCE) to prepare plans and specifications for the Nursing & Allied Health Campus Parking Lot Expansion and Entry Drive. Funds in the amount of \$540,000 for construction of the new parking lot were included in the FY 2013-2014 construction budget.

STC staff worked with PCE to prepare and issue the necessary plans and specifications for the solicitation of competitive sealed proposals. Solicitation of competitive sealed proposals for this project began August 4, 2014. A total of six (6) proposals were received on August 21, 2014.

For the following reasons, staff recommended Board approval to reject the current proposals and allow staff to work with PCE to value engineer, determine where costs could be reduced, and re-solicit construction proposals.

1. Proposals received are significantly above the available budget
2. Lowest cost proposal ranked 4th after evaluations due to poor response to proposal questionnaire
3. The range of costs from all proposals received has a large deviation

The Facilities Committee recommended Board approval to reject construction proposals, require that PCE redesign to effectively reduce cost, and re-solicit proposals for the Nursing & Allied Health Campus Parking Lot Expansion and Entry Drive project as presented.

Upon a motion by Mr. Gary Gurwitz and a second by Mr. Jesse Villarreal, the Board of Trustees of South Texas College approved and authorized the rejection of construction proposals, requiring that PCE redesign to effectively reduce cost, and the re-solicitation of proposals for the Nursing & Allied Health Campus Parking Lot Expansion and Entry Drive project as presented. The motion carried.

**Review and Action as Necessary on Substantial and/or Final Completion
 of the Following Projects**

- 1) Starr County Campus Parking Lot 5 Lighting and South Drive Lighting Improvements**
- 2) Pecan and Starr County Campus Repainting of Exterior Stucco Walls**

Approval of substantial or final completion and release of final payment for the following projects was requested:

Projects		Substantial Completion	Final Completion	Documents Attached
1.	Starr County Campus Parking Lot 5 Lighting and South Drive Lighting Improvements	Recommended	Estimated October 2014	Certificate of Substantial Completion
2.	Pecan and Starr County Campus Repainting of Exterior Stucco Walls	Previously Approved	Recommended	Final Completion Letter

1. Starr County Campus Parking Lot 5 and South Drive Lighting Improvements

It was recommended that substantial completion for this project with Zitro Electric be approved.

Engineers with ACR Engineering and STC staff visited the site and developed a construction punch list. As a result of this site visit and observation of the completed work, a Certificate of Substantial Completion for the project was certified on August 28, 2014. Substantial Completion was accomplished within the time allowed in the Owner/Contractor agreement for this project. A copy of the Substantial Completion Certificate was included in the packet.

Zitro Electric would continue working on the punch list items identified and would have thirty (30) days to complete before final completion can be recommended for approval. It was anticipated that final acceptance of this project would be recommended for approval at the October 2014 Board meeting.

2. Pecan and Starr County Campus Repainting of Exterior Stucco Walls

It was recommended that final completion for this project with Alpha Building Corporation be approved.

Final Completion including punch list items were accomplished as required in the Owner/Contractor agreement for this project. It is recommended that final completion and release of final payment for this project with Alpha Building Corporation be approved. The original cost approved for this project was in the amount of \$145,475.

The following chart summarizes the above information:

Construction Budget	Approved Proposal Amount	Net Total Change Orders	Final Project Cost	Previous Amount Paid	Remaining Balance
\$210,000	\$145,475	\$3,676.56	\$149,151.56	\$141,693.98	\$7,457.58

On August 27, 2014, STC Planning & Construction Department staff inspected the site to confirm that all punch list items were completed.

It was recommended that the Facilities Committee recommend for Board approval at the September 23, 2014 Board meeting, the substantial or final completion, and release of final payment of the projects as presented.

The Facilities Committee recommended Board approval of the substantial or final completion, and release of final payment of the projects as presented.

Upon a motion by Mr. Gary Gurwitz and a second by Mrs. Graciela Farias, the Board of Trustees of South Texas College approved and authorized the substantial or final completion, and release of final payment of the projects as presented. The motion carried.

Review and Recommend Action as Necessary on Lease Agreement with City of McAllen for use of Space in the Technology Campus Southwest Building

Approval of Lease Agreement with the City of McAllen for use of space in the Technology Campus Southwest Building was requested.

The City of McAllen has requested use of 19,438 square feet of vacant warehouse space in the Technology Campus Southwest Building for a nine (9) month period starting September 24, 2014 through June 24, 2015. The agreement prepared by STC legal counsel included a rent of \$1.00 for the proposed term and preferences to previous beneficial contributions from the City of McAllen to STC.

The City of McAllen also agreed to an in-kind contribution and installation of a 16' x 18' overhead door which would benefit their use. This door would remain in place after the lease term and would provide long term benefit to STC.

Legal Counsel also informed the Board that, in addition to the installation of the overhead door described above, there were other considerations included in this agreement between the City of McAllen and South Texas College, specifically the approval by the City of McAllen of an amendment to the interlocal agreement with South Texas College which had previously required the construction of a five-story building on land conveyed to the College by the City. As amended, the interlocal agreement would allow the College to construct a four-story building, as called for by its master plan, and still satisfy the agreement with the City.

As per Legal Counsel, this agreement was discussed and considered when establishing the terms for this lease agreement with the City of McAllen to use space in a South Texas College Technology Campus facility.

Upon a motion by Mr. Gary Gurwitz and a second by Mr. Jesse Villarreal, the Board of Trustees of South Texas College approved and authorized the Lease Agreement with the City of McAllen for use of space in the Technology Campus Southwest Building as presented. The motion carried.

Update on Status of Construction Projects

The Facilities Planning & Construction staff prepared and provided a design and construction update. This update summarized the status of each capital improvement project currently in progress.

This item was for the Board's information only. No action was requested.

Consideration and Approval of Checks and Financial Reports

Board action was requested to approve the checks for release and the financial reports for the month of August 2014. The approval was for checks submitted for release in the amount greater than \$50,000 and checks in the amount greater than \$10,000 that were released as authorized by Board Policy No. 5610.

Mrs. Mary Elizondo, Vice President for Finance and Administrative Services, was available to provide a review of the Financial Report for the month of **August 2014**, and to respond to questions posed by the Board. No review was requested, nor questions asked.

The checks and the financial reports submitted for approval were included in the Board packet under separate cover.

Upon a motion by Mr. Paul R. Rodriguez and a second by Dr. Alejo Salinas, Jr., the Board of Trustees approved the submitted checks for release in an amount over \$50,000.00, the checks that were released as authorized by Board Policy #5610, and the financial reports submitted for the month of August 2014. The motion carried.

Mr. Roy de León announced that the following items were included within the Board Packet:

Informational Items

- President's Report
- Board Committee Meeting Minutes:
 - o September 11, 2014 Education & Workforce Development Committee

- o September 11, 2014 Facilities Committee
- o September 11, 2014 Finance and Human Resources Committee

Announcements

A. Next Meetings:

- Education and Workforce Development Committee Meeting, Tuesday, October 14th, 2014 at 3:30 p.m., Ann Richards Administration Building Board Room, Pecan Campus, McAllen, Texas
- Facilities Committee Meeting, Tuesday, October 14th, 2014 at 4:30 p.m., Ann Richards Administration Building Board Room, Pecan Campus, McAllen, Texas
- Finance and Human Resources Committee Meeting, Tuesday, October 14th, 2014 at 5:30 p.m., Ann Richards Administration Building Board Room, Pecan Campus, McAllen, Texas
- Regular Meeting of the Board of Trustees, Tuesday, October 28th, 2014 at 5:30 p.m., Ann Richards Administration Building Board Room, Pecan Campus, McAllen, Texas

B. Other Announcements:

- The 9th Annual *A Night with the Stars* will be held Thursday, October 9, 2014 from 6:00 p.m. thru 9:00 p.m. at the Corinthian Banquet & Special Event Center, 1516 E. Expressway 83, Suite A, Mission, Texas.
- The ACCT 2014 Leadership Congress will take place Wednesday, October 22, 2014 thru Saturday, October 25, 2014 in Chicago, IL.

Adjournment:

There being no further business to discuss, the Regular Meeting of the South Texas College Board of Trustees adjourned at 7:30 p.m.

I certify the foregoing are the true and correct minutes of the Tuesday, September 23, 2014 Regular Board Meeting of the South Texas College Board of Trustees.

Mr. Paul R. Rodriguez

Secretary

South Texas College
Board of Trustees
Special Board Meeting
Monday, October 20, 2014 @ 8:00 a.m.
Ann Richards Administration Building Board Room
Pecan Campus, McAllen, Texas 78501

Minutes

Call Meeting to Order:

The Special Meeting of the South Texas College Board of Trustees was held on Thursday, September 11, 2014 in the Ann Richards Administration Building Board Room at the Pecan Campus in McAllen, Texas. The meeting commenced at 8:25 a.m. with Dr. Alejo Salinas, Jr., Vice Chair, presiding.

Members present: Dr. Alejo Salinas, Jr., Mr. Paul Rodriguez, Ms. Rose Benavidez, Mrs. Graciela Farias, Mr. Gary Gurwitz, and Mr. Jesse Villarreal. Mr. Roy de León joined the meeting by telephone.

Members absent: None

Also present: Dr. Shirley A. Reed, Mr. Chuy Ramirez, Mrs. Mary Elizondo, Mr. Gerry Rodriguez, Mrs. Melba Trevino, and Andrew Fish.

Determination of a Quorum

A quorum was present and a notice of the meeting was posted.

Executive Session:

The South Texas College Board of Trustees convened into Executive Session at 8:26 a.m. in accordance with Chapter 551 of the Texas Government Code for the specific purpose provided in:

- Section 551.071, Consultations with Attorney
1. Discussion and Action as Necessary Regarding 2013 Bond Construction Program Construction Program Manager Contract

Open Session:

The South Texas College Board of Trustees returned to Open Session at 9:16 a.m. No action was taken in Executive Session.

Discussion and Action as Necessary Regarding 2013 Bond Construction Program Construction Program Manager Contract

Upon a motion by Mr. Gary Gurwitz and a second by Mr. Paul R. Rodriguez, the Board of Trustees for South Texas College authorized the College President to issue a letter to Dr. Broaddus of Broaddus & Associates, the College's Construction Program Manager, requesting the attendance of Dr. Broaddus and Mr. Gilbert Gallegos at an October 28, 2014 Special Board Meeting at 5:00 p.m. to discuss their Construction Program Management Services contract. The motion carried.

Announcements

Dr. Alejo Salinas, Jr. announced that the following items were included within the Board Packet:

A. Next Meetings:

- Special Meeting of the Board of Trustees, Tuesday, October 28rd, 2014 at 5:00 p.m., Ann Richards Administration Building Board Room, Pecan Campus, McAllen, Texas.
- Regular Meeting of the Board of Trustees, Tuesday, October 28rd, 2014 at 6:00 p.m., Ann Richards Administration Building Board Room, Pecan Campus, McAllen, Texas.

Dr. Reed announced the Early Voting for the November 4, 2014 General Election had begun, and invited the Trustees to vote at the Pecan Campus polling place.

Adjournment:

There being no further business to discuss, the Special Board Meeting of the South Texas College Board of Trustees adjourned at 9:17 a.m.

I certify the foregoing are the true and correct minutes of the Monday, October 20, 2014 Special Board Meeting of the South Texas College Board of Trustees.

Mr. Paul R. Rodriguez
Secretary

Approval and Authorization to Accept Grant Award(s)

Authorization to accept and approve the following grant award(s) and use of related funds as authorized by each grant is requested:

1. The “Child Care Training” Grant from Texas Workforce Commission

Authorization is requested to accept the “Child Care Training” grant from Texas Workforce Commission beginning January 1, 2015 through December 31, 2015 in the amount of \$20,000.

As part of these efforts, STC will provide Conferences to Early Childhood Development (ECD) Teachers, Directors, and staff focused on topics that best meet the needs of children in licensed child care settings. STC staff will use grant funds to contract ECD professionals to present at the conferences, for materials, and other expenses to accommodate 100 participants at each of the four (4) conferences.

Authorization is requested to use the \$20,000 grant funds for ECD Conferences, preparation of reports, and other activities related to this grant.

This grant meets South Texas College’s Strategic Direction Five for Collaboration: South Texas College commits to.....beneficial community and educational partnerships that create a collective impact on student success.

2. The “Child Development Associate Credential” Grant from Texas Workforce Commission

Authorization is requested to accept the “Child Development Associate Credential” grant from Texas Workforce Commission beginning January 1, 2015, through December 31, 2015 in the amount of \$35,904.

As part of these efforts, STC will provide Child Development Associate (CDA) Credentialing courses during Spring 2015 and Fall 2015 to 24 students (12 each semester).

Authorization is requested to use the \$35,904 grant funds for CDA courses, preparation of reports, and other activities related to this grant.

This grant meets South Texas College’s Strategic Direction One for Clear Pathways. “South Texas College provides students with clear pathways.....leading to relevant employment...” The students who complete the CDA Credentialing will be prepared for employment as child care center directors with a Head Start Program or in any licensed child care program.

3. Additional Grants Received/Pending Official Award

The approved grants will provide up to \$55,904 in additional funding for the College to provide services and opportunities throughout the region.

Recommendation:

It is recommended the Board of Trustees approve and authorize accepting the following grant award(s) and use of related funds as authorized by each grant, contingent upon official award as appropriate:

1. The “Child Care Training” Grant from Texas Workforce Commission
2. The “Child Development Associate Credential” Grant from Texas Workforce Commission
3. Additional Grants Received/Pending Official Award

The following Minute Order is proposed for consideration by the Board of Trustees:

The Board of Trustees of South Texas College approves and authorizes accepting the following grant award(s) and using related funds as authorized by each grant, contingent upon official award as appropriate:

1. The “Child Care Training” Grant from Texas Workforce Commission
2. The “Child Development Associate Credential” Grant from Texas Workforce Commission
3. Additional Grants Received/Pending Official Award

Approval Recommended:

Shirley A. Reed, M.B.A., Ed.D.
President

Review of Education and Workforce Development Committee Items

The following items were presented to and discussed with the Education and Workforce Development Committee. No action was requested of the Committee or the Board:

1) Presentation on the Study Abroad Programs at South Texas College

Dr. Anahid Petrosian, Vice President for Academic Affairs, introduce Dr. Ali Esmaeili, Dean for Math, Science, Bachelor Programs, and University Relations. Dr. Esmaeili introduced Ms. Delia Magdaleno, Chair of the World Languages Department, Coordinator for the Study Abroad Program for the University Relations department.

Ms. Magdaleno provided the Committee with a review of the Summer 2014 Study Abroad Program, which included a student trip to Seville, Spain.

This presentation included a review over:

- the Summer 2014 Study Abroad Program,
- Study Abroad Program Curriculum
- an overview of the student experiences provided in these programs, and
- a look ahead at the plans for Summer 2015.

Study Abroad Program provide excellent opportunities for students to earn college credit while experiencing international locales that highlight the artistic, literary and historical significance of related cultures.

The 2014 STC Study Abroad Program in Seville, Spain was available for a package cost of \$4,100 per student. The fifteen day program included excursions to Seville, Granada, Córdoba, and Madrid. The package included airfare, lodging, meals, medical insurance, tuition and fees for one course (students could elect to take one additional course), and excursions. Students were individually responsible for their full costs, and payment plans were offered to help students meet this responsibility.

Curriculum for the courses taught as part of the Study Abroad Program was tied to the same course objectives as those taught traditionally. Students were held to the same rigor, and between two weeks abroad and two further weeks at the College upon their return, they were required to fully complete course requirements before credits were awarded.

2) Review and Presentation on the US Department of Education Grant “STC In FOCUS – Focus on Creating Ultimate Student Success”

Dr. Anahid Petrosian, Vice President for Academic Affairs, introduced Ms. Lee Grimes, Associate Dean of Professional and Organizational Development to present on the “STC In Focus – Focus on Creating Ultimate Student Success” Grant from the US Department of Education.

This grant was issued under the “Hispanic Serving Institutions” Title V Grant program, and would help South Texas College further develop and implement programs to provide greater

access and student success in this region. The grant would be disbursed over five years, and would total approximately \$2.5 million over that period.

The grant would fund the development of Active Learning Classrooms, including the FOCUS Academy preparation to help faculty best use this innovative strategy to increase student participation and success. It would also provide for furniture and technology to enhance the Active Learning Classroom experience for students.

The grant would also fund strategic improvements to the faculty advising program, including the hiring of a Faculty Advising Coordinator and the development and implementation of a new Faculty Advising Program.

The third aspect of the grant was the development of new technology infrastructure to help broadcast face-to-face classes online and campus-to-campus. This will help students at the Starr County Campuses access the Nursing & Allied Health programs without the need for a regular commute.

Ms. Grimes provided detail on each of the programs supported by this FOCUS Grant, and responded to questions and comments on this exciting opportunity to provide innovative opportunities for the College's students.

These items were for the Committee's review and feedback to staff only, and no action was requested.

Review and Action as Necessary on Starr County Tax Resale Property and Resolution Authorizing Tax Resale

Approval of the Starr County Tax Resale Property Cause No. TS-97-143; Rio Grande C.I.S.D. and Starr County vs. Pablo A. Saenz Jr. and the Resolution Authorizing the Tax Resale is requested.

The law offices of Linebarger Goggan Blair & Sampson, LLP have requested consideration and possible action on the tax resale of this property.

On July 5, 2011, Linebarger Goggan Blair & Sampson, LLP held a Tax Resale Auction at the Starr County Courthouse for struck off properties located within Starr County. The tax resale auction was published several times in the Starr County Town Crier. No bids were received at time of auction on any Rio Grande City properties; however on April 30, 2014 a private written bid was received for one (1) property listed as follows:

- Cause No. TS-97-143; Rio Grande C.I.S.D. and Starr County vs. Pablo A. Saenz Jr.

On struck off property as follows:

Lot 9, Block 13, Town of Rio Grande City located at Hwy 83 and North East St. Rio Grande

The total amount the College will receive is \$484.16.

Linebarger Goggan Blair & Sampson, LLP is submitting for the Board of Trustees' consideration the private written bid received.

The private written bid, the legal description for the property, as well as the amount of the bid, the South Texas College amount, the Analysis of Bid Received, and the Resale Resolution follow in the packet for the Board's information and review.

Gustavo Martinez from Linebarger Goggan Blair & Sampson, LLP attended the October 14, 2014 Finance and Human Resources Committee meeting to provide background information and respond to questions.

The Finance and Human Resources Committee recommended Board approval of the Starr County Tax Resale Property Cause No. TS-97-143; Rio Grande C.I.S.D. and Starr County vs. Pablo A. Saenz Jr. and the Resolution Authorizing the Tax Resale to Hernando and Iris Cardenas as presented.

Recommendation:

It is recommended that the Board of Trustees of South Texas College approve and authorize the Starr County Tax Resale Property Cause No. TS-97-143; Rio Grande C.I.S.D. and Starr County vs. Pablo A. Saenz Jr. and the Resolution Authorizing the Tax Resale to Hernando and Iris Cardenas as presented.

The following Minute Order is proposed for consideration by the Board of Trustees:

The Board of Trustees of South Texas College approves and authorizes the Starr County Tax Resale Property Cause No. TS-97-143; Rio Grande C.I.S.D. and Starr County vs. Pablo A. Saenz Jr. and the Resolution Authorizing the Tax Resale to Hernando and Iris Cardenas as presented.

Approval Recommended:

Shirley A. Reed, M.B.A., Ed.D.

President

ANALYSIS OF PRIVATE BID RECEIVED ON STRUCK-OFF PROPERTY

STYLE OF CASE: TS-97-143; Rio Grande C.I.S.D. and Starr County vs. Pablo A. Saenz Jr.

LEGAL DESCRIPTION: Lot 9, Block 13, Town of Rio Grande City
Account No. 14500-01300-00900-000000

PROPERTY LOCATION: Hwy 83 and North East St. Rio Grande

JUDGMENT DATE: December 15, 2000

DATE OF TAX SALE: March 6, 2007

SHERIFF'S DEED RECORDED: May 21, 2007

DATE OF TAX RESALE: July 5, 2011

AMOUNT OF JUDGMENT: \$23,210.40

COSTS OF SALE: \$792.00

AMOUNT OF BID: \$25,000.00

CURRENT APPRAISED VALUE: \$22,820.00

VALUE AT JUDGMENT: \$33,300.00

Entity Name	Amount Due Each Entity	Percentage To Be Received	Amount You Will Receive
Rio Grande City C.I.S.D.	\$38,566.52	64%	\$15,493.12
Starr County	\$19,747.36	33%	\$7,988.64
South Texas College	\$1,500.72	2%	\$484.16
City of Rio Grande City	\$732.06	1%	\$242.08

CONDITIONS OF SALE: COMMENTS: PLEASE APPLY PROCEEDS PURSUANT TO TEXAS PROPERTY TAX CODE SECTION 34.06 (B) - (E). JUDGMENT YEARS ARE TO BE PAID BEFORE POST JUDGMENT YEARS. ANY REMAINING BALANCE SHOULD BE REMOVED.

BIDDERS: Hernando & Iris Cardenas, 809 E Monroe St, Rio Grande City, TX 78582

LINEBARGER GOGGAN BLAIR & SAMPSON, LLP
TAX RESALE LIST
RIO GRANDE CITY CISD

SUIT NO.	LEGAL DESCRIPTION	ACCOUNT NUMBER	AMOUNT OF BID	AMOUNT FOR STC
TS-97-143 1	Lot 19, Block 13, Town of Rio Grande City	14500-0130-00900-0000000	\$25,000.00	\$484.16

RESOLUTION AUTHORIZING TAX RESALE

On the 28th day of October 2014, at the regularly scheduled meeting of the South Texas College Board of Education, a motion was duly made and seconded to resell the property described on the attached list, which was acquired by South Texas College through previous tax foreclosure proceedings. The property was sold in accordance with Texas Tax Code Ann. §34.05.

Discussion was then conducted, and upon completion of the same the Chair for South Texas College called for a vote on the motion, and the same was passed by majority. Now therefore:

BE IT RESOLVED that the Board of South Texas College approved the bid received on the property described in the attached list and authorizes the Chair for South Texas College to execute tax resale deed conveying the approved property.

SIGNED on this _____ day of _____, 2014.

Roy de León
Chair

ATTEST:

Secretary of the Board

Review and Action as Necessary on Award of Proposals, Purchases, Renewals, Leases, and Interlocal Agreement

Approval of the following proposal awards, purchases, renewals, leases, and interlocal agreement is requested.

1) Audio Visual Capture Device (Award)

Award the proposal for an audio visual capture device to Audio Visual Aids Corp (San Antonio, TX), at a total cost of \$30,209.00.

The audio visual capture device will be used to provide live streaming and recording of events.

Proposal documents were advertised and issued to five (5) vendors. Three (3) responses were received and reviewed by Instructional Technologies and the Purchasing Department.

Funds for this expenditure are budgeted in the Instructional Technologies Maintenance and Replacement budget for FY 2014-2015.

2) Merchant Services (Award)

Award the proposal for merchant services (credit card processing) to BBVA Compass (McAllen, TX) for the period beginning November 1, 2014 through October 31, 2016 with three one-year options for renew for an estimated annual cost of \$271,582.11, which is based on projected transactions.

Proposal documents were advertised and issued to five (5) vendors. Two (2) responses were received and reviewed by the Business Office and Purchasing Department.

The contract will allow BBVA Compass to provide merchant services which will permit students, faculty, staff, and the general public to pay for services provided by South Texas College with credit/debit cards. The contract will be for a period of two (2) years beginning November 1, 2014, with an option to renew for three (3) additional one-year periods. The proposed contract charges the following fees:

- Percentage rate of 1.74% on credit card, signature debit and PIN debit transactions
- Card Network Access fee of \$0.0195 per transaction
- Kilobyte fee of \$0.02 & Base II fee of 0.02% per Visa/MasterCard/Discover transactions
- Chargeback/Reversal fee of \$15.00 per chargeback/reversal
- Monthly PCI Compliance Solutions fee of \$10.99
- Monthly service support package fee of \$2.99

The current vendor is BBVA Compass and the new percentage rate offered of 1.74% per credit card, signature debit and PIN debit transactions is lower than the rate of 1.77% under the current contract.

Funds for this expenditure are budgeted in the Business Office – Credit Card Charges budget for FY 2014-2015.

3) Online Defensive Driving Training (Award)

Award the proposal for online defensive driving training to I Drive Safely, LLC. (Carlsbad, CA), for the period beginning November 1, 2014 through October 31, 2015 with two one-year options to renew. The College will receive \$8.75 commission payment per student, which is 35% of the total student tuition of \$25.00.

The online defensive driving training will be provided through the South Texas College Continuing Professional & Workforce Education Department. The course provides an alternative to the traditional defensive driving classroom course. The course is available to anyone who desires to improve their driving skills and also provides traffic citation dismissal benefits for those individuals who have received approval from a Texas court.

Proposal documents were advertised and issued to fifteen (15) vendors. Two (2) responses were received and reviewed by the Director of Continuing Professional & Workforce Education and Purchasing Department.

4) Travel Package for TexPrep Program (Reject)

Reject the proposal for travel package for TexPrep program due to the one proposal received being over the allowable grant budget.

Proposal documents were advertised and issued to three (3) vendors. One (1) responses were received and reviewed by the Director of High School Programs and the Purchasing Department.

5) Advertisement Agreement – Buses (Purchase)

Purchase advertisement agreement for buses from Lower Rio Grande Valley Development Council/Valley Metro (Weslaco, TX), a sole source vendor, for the period beginning December 1, 2014 through August 31, 2015, at a total cost of \$29,561.40.

As part of the upcoming branding and enrollment campaign, the advertisement will include the South Texas College logo and artwork displayed/wrapped on two (2) shuttle buses. These shuttle buses travel throughout Hidalgo and Starr County and are moving billboards that offer continuous exposure to the community, drivers and pedestrians.

The Lower Rio Grande Valley Development Council/Valley Metro will purchase the wraps for the buses which will include the South Texas College logo. South Texas College will reimburse The Lower Rio Grande Valley Development Council/Valley Metro for the expenditure.

Funds for this expenditure are budgeted in the Public Relations budget for FY 2014-2015.

6) Advertisement Agreement – Continuing Education (Purchase)

Purchase advertisement agreement for Continuing Education from ACM Valley Multimedia Network/dba Valley Town Crier (McAllen, TX), a sole source vendor, for the period beginning September 17, 2014 through August 31, 2015, at a total cost of 15,480.00.

The advertisement is for all the courses offered through Continuing Education Department, including ESL. This will include the following courses: Alternative Teacher Certification Program, Real Estate, Activity Director, Pharmacy Tech Trainee, Phlebotomy, Certified Nurse Assistant, Computer Applications, Pipe Welding, Certified Dietary Manager, Emergency Attendant, Police Academy, ACT Prep and several other courses.

Funds for this expenditure are budgeted in the Continuing Professional & Workforce Education – PR & Advertising budget for FY 2014-2015.

7) Catering Services (Purchase)

Purchase catering services from Centerplate at McAllen Convention Center (McAllen, TX), a sole source vendor, at an estimated cost of \$28,700.00.

The catering services will be provided for faculty and staff professional development days which will be held at the McAllen Convention Center. It will include the following events:

- September 18, 2014 – College Wide Professional Development for Faculty and Staff
- June 19, 2015 – South Texas Leadership Academy for Staff
- August 15, 2015 – Adjunct/Dual Enrollment Professional Development Day
- August 17, 2015 – Academic Affairs Professional Development Day

Funds for this expenditure are budgeted in the Professional Staff Development – Auxiliary budget for FY 2014-2015.

8) Computers, Laptops, and Tablets (Purchase)

Purchase of computers, laptops, and tablets from the State of Texas Department of Information Resources (DIR) approved vendor Dell Marketing, LP. (Dallas, TX) and from the National Joint Powers Alliance approved vendor CDW Government, in the total amount of \$98,054.44.

All purchase requests for computers, laptops, and tablets have been evaluated by Technology Resources Department and the Chief Information Officer. An itemized list with justification is included for your review and information.

The purchases can be summarized as follows:

- Staff-Use Computers
 - ⇒ 1 Computer for Mathematics
 - ⇒ 1 Computer for CPWE
 - ⇒ 1 Computer for Central Receiving
 - ⇒ 3 Computers for Distribution Center
 - ⇒ 1 Computer for High School Programs and Services
 - ⇒ 1 Computer for Instructional Technologies Maintenance and Replacement
- Faculty-Use Computers
 - ⇒ 3 Computers for Chemistry
 - ⇒ 8 Computers for Physics

- Student-lab Computers
 - ⇒ 24 Computers for CPWE
 - ⇒ 71 Computers for Computer Science

- Staff-Use Laptops
 - ⇒ 1 Laptop for DE Quality and Sustainability
 - ⇒ 2 Laptops for Business Office

- Faculty-Use Laptops
 - ⇒ 3 Laptops for Developmental English

- Staff-Use Tablets
 - ⇒ 1 Tablet for Accreditation
 - ⇒ 1 Tablet for Business Office
 - ⇒ 1 Tablet for Professional Development

- Faculty-Use Tablets
 - ⇒ 2 Tablets for Developmental English

Funds for these expenditures are budgeted in the requesting department budgets for FY 2014-2015 as follows: Mathematics, CPWE, Central Receiving, Distribution Center, High School Programs and Services, Instructional Technologies Maintenance and Replacement, Chemistry, Physics, Computer Science, DE Quality and Sustainability, Business office, Developmental English, Accreditation, and Professional Development.

9) Digital Advertising Agreement (Purchase)

Purchase a digital advertising agreement from Millennial Media, Inc./Jumtap (Baltimore, MD), a sole source vendor, for the period beginning November 1, 2014 through January 31, 2015, at a total cost of \$10,000.00.

As part of the upcoming branding and enrollment campaign, the digital advertising agreement will include mobile ads and mobile apps to be used on tablets and smartphones specifically through mobile-enabled websites. This advertising will reach users wherever they are located, on their smartphones, on their tablets or their computers.

Funds for this expenditure are budgeted in the Public Information budget for FY 2014-2015.

10)Furniture (Purchase)

Purchase furniture from the State of Texas Multiple Award Schedule (TXMAS) and Texas Association of School Boards - Buyboard approved vendors, at a total amount of \$141,456.88.

A	Allsteel, Inc.	\$19,600.09
B	Datum	\$1,275.62
C	Exemplis Corporation	\$3,525.00
D	The Hon Company	\$1,825.48
E	Inscape, Ltd.	\$29,667.59
F	Krueger International, Inc.	\$82,163.11
G	VIA, Inc.	\$3,399.99
	Total Amount	\$141,456.88

The purchases can be summarized as follows:

- Allsteel, Inc./Gateway Printing & Office Supply (Edinburg, TX)
 - Pecan Campus
 - ⇒ Panels for Building K – Student Services
 - ⇒ 38 Chair for Building K – Student Services
 - ⇒ 12 Chairs for Academic Affairs Support
- Datum/Gateway Printing & Office Supply (Edinburg, TX)
 - Pecan Campus
 - ⇒ 4 Shelving units for Building K- Student Services
- Exemplis Corporation/Gateway Printing & Office Supply (Edinburg, TX)
 - Pecan Campus
 - ⇒ 4 Sofas for Building K – Student Services
- The Hon Company/Gateway Printing & Office Supply (Edinburg, TX)
 - Pecan Campus
 - ⇒ 7 Bookcases and 2 Vertical File Cabinets for Building K – Student Services
- Inscape, Ltd./Gateway Printing & Office Supply (Edinburg, TX)
 - Pecan Campus
 - ⇒ Partition Prefabricated Walls for Building K – Student Services
 - Nursing Allied Health Campus
 - ⇒ Partition Prefabricated Walls for the Library
- Krueger International, Inc. / Gateway Printing & Office Supply (Edinburg, TX)
 - Pecan Campus
 - ⇒ 22 Computer Chairs, 35 Guest Chairs, 16 Stackable Chairs, 1 Desk, 4 Round Tables, 1 Work Table, 12 Workstations with Dividers for Building K – Student Services
 - ⇒ Cubicles for Building K – Student Services
 - ⇒ 36 Chairs and 20 Tables for Professional Development Classroom
- VIA, Inc. / Gateway Printing & Office Supply (Edinburg, TX)
 - Pecan Campus
 - ⇒ 11 Chairs for Building K – Student Services

Fund for these expenditures are budgeted in the requesting department budgets for FY 2014-2015 as follows: Academic Affairs Support, Nursing Allied Health Library Quiet Study Area-

Construction, Pecan Student Services Administration Offices- FFE, and South Texas College in Focus grant.

11)Overnight Delivery Services (Purchase)

Purchase overnight delivery services from Fedex Government Services (Memphis, TN/ Pharr, TX), a Texas Procurement and Support Services (TPASS) term contract approved vendor, a division of the Texas Comptroller of Public Accounts, for the period beginning September 1, 2014 through August 31, 2015, at an estimated cost of \$11,000.00 based on prior year expenditures.

The overnight, second day and ground delivery services will be used for letters and/or packages that are required to be delivered, insured and tracked by various South Texas College departments. The state program provides the services at a significant savings on all packages.

Funds for this expenditure are budgeted in the Postage budget for FY 2014-2015.

12)Police Equipment and Accessories (Purchase)

Purchase police equipment and accessories from GT Distributors, Inc. (Austin, TX), a Texas Association of School Boards – Buyboard approved vendor, for the period beginning October 29, 2014 through August 31, 2015, at a total cost of \$145,000.00.

Throughout the fiscal year, the South Texas College Police Department requires police equipment and accessories to continue operations. This equipment includes items for newly hired police officers and additional items for officers previously on staff. The equipment will include the following items: uniforms, duty gear, protective ballistic vests, protective ballistic shields, first aid supplies, tourniquets, weapons, ammunition, simunitions, belts, flashlights, accident kits, drug/alcohol testing kits, restraints, and traffic control equipment (barricades, cones and flares).

Funds for this expenditure are budgeted in the South Texas College Police budget for FY 2014-2015.

13)Police Vehicle Equipment and Accessories (Purchase)

Purchase police vehicle equipment and accessories from Fleet Safety Equipment, Inc. (Houston, TX), a Texas Association of School Boards – Buyboard approved vendor, for the period beginning October 29, 2014 through August 31, 2015, at an estimated amount of \$90,000.00.

The South Texas College Police Department is equipping police vehicles for patrolling, responding to 911 emergency calls, and other incidents at these campuses. The equipment includes in vehicle video cameras, required by Texas law for abbreviated racial profiling reporting, emergency lights, detention cages, and lockable safes.

Funds for this expenditure are budgeted in the South Texas College Police budget for FY 2014-2015.

14)Servers (Purchase)

Purchase servers from Dell Marketing, LP. (Dallas, TX), a State of Texas Department of Information Resources (DIR) approved vendor, at a total cost of \$36,944.85.

The five (5) servers are needed to replace nine (9) year old hardware that is at end-of-life. These servers will provide additional storage space for computer lab software, as well as, a more reliable hosting environment for software upgrades and deployment to South Texas College computers district-wide.

Funds for this expenditure are budgeted in the Telecom budget for FY 2014-2015.

15) Science Instructional Supplies and Equipment (Purchase)

Purchase science instructional supplies and equipment from Fisher Science Education (Hanover Park, IL), a U. S. Communities (Purchasing Cooperative) approved vendor, for the period beginning September 1, 2014 through August 31, 2015, at an estimated amount of \$20,000.00 based on prior year expenditures.

The science instructional supplies and equipment will be used for student instruction in the science and allied health programs.

Funds for this expenditure are budgeted in the Biology, Chemistry, Physics, Geology, Geography and Medical Technology budgets for FY 2014-2015.

16) Student Information Distribution Services (Purchase)

Purchase student information distribution services from Valley Newspaper Holdings, LLP./dba Valley Town Crier (McAllen, TX), a sole source vendor, for the period beginning November 1, 2014 through August 31, 2015, at an estimated cost of \$29,095.00.

The student information distribution services will include inserting the student class schedules for Spring 2015, Summer 2015 and Fall 2014 and Staying Connected Fall 2014, Spring 2015 and Summer 2015 issues in the different newspapers.

Funds for this expenditure are budgeted in the Catalogs and Brochures budget for FY 2014-2015.

17) Testing Materials – CAAP (Purchase)

Purchase testing materials – CAAP from ACT CAAP (Iowa City, IA), a sole source vendor, at an estimated cost of \$18,375.00.

Students enrolled in the BAT Program are administered the Collegiate Assessment of Academic Proficiency (CAAP) in the Fall, Spring and Summer sessions. It is the exam selected to meet SACS quality control management requirement. The exams consist of five sections: Writing Skills, Writing Essay, Mathematics, Reading and Critical Thinking.

Funds for this expenditure are budgeted in the Testing Center budget for FY 2014-2015.

18) Web-Network Advertisement Agreement (Purchase)

Purchase a web-network advertisement agreement from Adiant/Adblade (New York, NY), a sole source vendor, for the period beginning November 1, 2014 through January 31, 2015 at a total cost of \$10,000.00.

As part of the upcoming branding and enrollment campaign, the web-network advertisement will reach the community and students on their favorite sites as they browse their computer or mobile devices. The ads will direct students to a dedicated landing page where they can learn more or begin the registration process.

Funds for this expenditure are budgeted in the Public Information budget for FY 2014-2015.

19)Welding Supplies and Gases (Purchase)

Purchasing welding supplies and gases from AOC Welding Supply/Praxair (McAllen, TX), a Harris County Department of Education – Choice Partner (Purchasing Cooperative) approved vendor, for the period beginning September 1, 2014 through August 31, 2015, at an estimated cost of \$25,000.00 based on prior year expenditures.

The welding supplies will be used for student instruction by the Welding Program in the Division of Business and Technology and the Continuing Professional and Workforce Education Department. It will include gases and classroom/lab supplies used by students for hands on instruction in welding classes throughout the district. The Maintenance Department purchases as needed for the day to day operation throughout the district.

Funds for this expenditure are budgeted in the Welding Program, Continuing Education and Facilities Maintenance for FY 2014-2015.

20)Catering Services (Renewal)

Renew the contracts for catering services for the period beginning November 21, 2014 through November 20, 2015, at an estimated cost of \$55,000.00 based on prior year expenditures. The vendors are as follows:

- a. Cornerstone Catering (Edinburg, TX)
- b. Delgar Foods/dba Delia's (Pharr, TX)
- c. Domine Catering, LLC. (McAllen, TX)
- d. El Reno Investments, LLC./dba Subway (Mission, TX)
- e. El Patio Restaurant (Mission, TX)
- f. Esperanza on Fifth, LLC./dba Blimpie (Weslaco, TX)
- g. Jason's Deli (Corpus Christi, TX/McAllen, TX)
- h. Pizza Properties, Inc./dba Peter Piper Pizza (El Paso, TX/McAllen, TX)
- i. Teresita's/dba Atencion Selecta (McAllen, TX)

The catering service are necessary throughout the district for the student activities events, professional development, South Texas College sponsored events and division meetings. The Board awarded the contracts for catering services at the October 28, 2013 Board of Trustees meeting for one year with two one-year options to renew. The first renewal period begins November 21, 2014 through November 20, 2015.

The vendors have complied with all the terms and conditions of the contract and services have been satisfactory.

Funds for this expenditure are budgeted in the various auxiliary budgets for FY 2014-2015.

21)Chiller Maintenance Services (Renewal)

Renew the contract for chiller maintenance services with Pro Tech Mechanical, Inc. (Corpus Christi, TX), for the period beginning November 21, 2014 through November 20, 2015, at an estimated cost of \$83,705.01.

The chiller maintenance services contract provides scheduled preventive maintenance inspections and emergency service calls for the various chiller units located throughout the College district.

The Board awarded the contract for chiller maintenance services at the October 30, 2012 Board of Trustees meeting for one year with two one-year options to renew. The last renewal period begins November 21, 2014 through November 20, 2015.

The vendor has complied with all the terms and conditions of the contract and services have been satisfactory.

Funds for this expenditure are budgeted in the Facilities Maintenance budget for FY 2014-2015.

22)Institutional Membership – AACC (Renewal)

Renew the institutional membership with American Association of Community Colleges (AACC) (Washington, D.C.), a sole source vendor, for the period beginning January 1, 2015 through December 31, 2015, at a total cost of \$15,490.00.

The AACC assists in protecting Pell Grant dollars, working to expand leadership development opportunities and is the national voice with the federal government, national media and business leaders for community colleges.

Funds for this expenditure are budgeted in the Institutional Membership budget for FY 2014-2015.

23)Institutional Membership – TACC (Renewal)

Renew the institutional membership with Texas Association of Community Colleges (TACC) (Austin, TX), a sole source vendor, for the period beginning September 1, 2014 through August 31, 2015, at a total cost of \$79,157.00.

The Texas Association of Community Colleges is comprised of all 50 public community college districts in the state and represents the interest of the colleges before the Texas Legislature and state agencies. The General Appropriations Bill and legislation affecting public community colleges in general have been and remain the principal concern of TACC.

Funds for this expenditure are budgeted in the Institutional Membership budget for FY 2014-2015.

24) Internet Services (Renewal)

Renew the internet services with Time Warner Cable through the State of Texas Department of Information Resources (DIR) for the period beginning April 1, 2015 through March 31, 2016, at a monthly cost of \$15,500.00, a one-time upgrade fee of \$500.00, a monthly federal fee of \$2,790.00, and at an annual cost of \$219,980.00.

The State of Texas Department of Information Resources (DIR) internet service contracts are for a three (3) year period. The total cost of the three-year contract is \$658,940.00.

With this renewal an internet services upgrade is required for the direct service to the Pecan Campus. It will upgrade the current 500 megabits to 2 gigabits of service. The increase is needed to service the new construction that will be completed at that time.

The approval is requested at this time so that the vendor is notified and can begin the infrastructure preparation. With this advance notification, the vendor will be ready to provide service and meet the College's needs by April 1, 2015.

Funds for this expenditure are budgeted in the Telecom budget for FY 2014-2015.

25)Microsoft Campus License Agreement (Renewal)

Renew the Microsoft Campus License agreement with Software House International (SHI) Government (Austin, TX), a State of Texas Department of Information Resources (DIR) approved vendor, for the period beginning November 1, 2014 through October 31, 2015, at a total cost of \$110,623.96.

The Microsoft Campus License agreement includes the following software: Windows 7 Enterprise Upgrade, Microsoft Office Professional Plus 2013, Office for Mac 2011, Microsoft Enterprise Client Access License (CAL) Suite, CAL for Lync Server Plus, CAL for Microsoft Windows Remote Desktop Services, Office 365 Plan A 2 for Faculty/Staff, Office 365 Plan A2 for Students, and Office 365 Plan A3 add on from core CAL Enterprise CAL license.

The agreement will be for a period beginning November 1, 2014 through October 31, 2015. The license agreement is a non-perpetual license with a one year software assurance that includes upgrades for the products mentioned above and ensures that all the College owned computers are Microsoft License compliant.

Funds for this expenditure are budgeted in the Client Services budget for FY 2014-2015.

26)Mobile Storage Services (Renewal)

Renew the contracts for mobile storage services for the period beginning December 18, 2014 through December 17, 2015, at an estimated cost of \$10,000.00. The vendors are as follows:

- Mobile Mini I, Inc. (Tempe, AZ/Pharr, TX)
- PODS of the Rio Grande Valley (Edinburg, TX)

The mobile storage services contracts will provide rental of mobile storage containers to the College as needed throughout the district to store furniture and other equipment during construction and renovation projects.

The Board awarded the contracts for mobile storage services at the November 26, 2013 Board of Trustees meeting for one year with two one-year options to renew. The first renewal period begins December 18, 2014 through December 17, 2015.

The vendors have complied with all the terms and conditions of the contract and services have been satisfactory.

Funds for this expenditure are budgeted in the Facilities Planning and Construction budget for FY 2014-2015.

27)Online Admissions Application Service (Renewal)

Renew the online admissions application service with Texas Higher Education Coordinating Board (Austin, TX), a sole source vendor, for the period beginning September 1, 2014 through August 31, 2015, at a total cost of \$10,660.00.

The online admissions application service is the statewide application for college and university admission. South Texas College is requested to use this online application system to admit to the college. All of our new students, transfer and returning students use this application to apply. All Texas colleges and universities are required by state law to use this application called "ApplyTexas".

Funds for this expenditure are budgeted in the Admission & Records budget for FY 2014-2015.

28)Online Course Evaluation License Agreement (Renewal)

Renew the online course evaluation license agreement with Gap Technologies, Inc. (Buffalo, NY), a sole source vendor, for the period beginning January 15, 2015 through January 14, 2016, at an estimated cost of \$22,000.00.

The online course evaluation license agreement is a hosted service that provides the online administration of the Student Evaluations of Faculty which includes detailed reporting tools for analyzing and publishing of evaluation results.

Funds for this expenditure are budgeted in the Curriculum and Student Learning budget for FY 2014-2015.

29)Physical and Mental Fitness Training (Renewal)

Renew the contract for physical and mental fitness training with Cross Fit One (McAllen, TX), for the period beginning November 1, 2014 through October 31, 2015, at no charge to the College. Each student will pay South Texas College \$360.00 for the course and the vendor will bill South Texas College \$325.00. South Texas College will make a commission of \$35.00 per student enrolled in the course, which recovers the administrative costs associated with the program.

The physical and mental training will prepare individuals, including active and in-training peace officers, on how to affect arrests, self-defense tactics and mental conditioning.

The Board awarded the contract for physical and mental fitness training at the October 30, 2012 Board of Trustees meeting for one year with two one-year options to renew. The last renewal period begins on November 1, 2014 through October 31, 2015.

The vendor has complied with all the terms and conditions of the contract and services have been satisfactory.

30) Promotional Items for Student Outreach (Renewal)

Renew the contracts for promotional items for student outreach for the period beginning November 27, 2014 through November 26, 2015, at an estimated cost of \$55,000.00. The vendors are as follows:

- Primary: Authentic Promotions.com (Carmichael, CA)
- Secondary: Safeguard Universal, LLC. (Corpus Christi, TX)
Imprezos Pro Uniforms, LLC. (McAllen, TX)
Images In Ink, Inc. (McAllen, TX)
Elite Promotions (Brownsville, TX)
Gateway Printing & Office Supply (Edinburg, TX)

The promotional items include pens, pencils, sports packs, water bottles, lanyards, canvas bags, folders and key chains with South Texas College logo which will be used to recruit students at local high schools, community events and South Texas College student events.

College Connections and Public Relations and Marketing leverage promotional items to build and sustain a college going culture as well as brand identity and loyalty with prospective students (grades PK-12) and their families, current students, colleagues in K-12, stakeholders, campus visitors and the community. The distribution of promotional items is consistent with strategic direction number three (3): South Texas College leads the transformation of the region to a “college-going” culture whereby attending and completing higher education is expected for all.

The Public Relations and Marketing Office provides promotional items for the college's community outreach efforts. Items are ordered as needed throughout the fiscal year for the following reasons:

- Increase awareness of South Texas College at different community events
- Promote career/health fairs, festivals, financial aid fairs and campus community events
- Promote numerous community events that benefit the College and college partners
- Promote special recruitment events such as Ladies Night at the Technology Campus, Lunch and Learn program, and registration round-ups
- Create awareness through Jerry the Jaguar appearances at parades and other community events, school events, college activities, etc.
- Alumni & Friends activities for students, graduates and community members to recruit members to the organization
- Promote student recruitment for the certificate, associate degree and bachelor of applied technology programs
- Recognition for speakers and special visitors to the college
- Promote “Junior Jaguar” program to elementary age children to instill a college-going culture
- Promote the “Graduate on Time” program to encourage students to complete graduation

The College Connections Department purchases promotional items for the following:

- Create a college-going culture through College Bound activities for elementary school students participating in the school adoption program. The college has adopted the following eleven (11) elementary schools: Marcell Elementary, Mission CISD; Roosevelt Elementary, McAllen ISD; Cesar Chavez Elementary, Pharr San Juan Alamo ISD; North

Grammar Elementary, Rio Grande City CISD; E.B. Reyna Elementary, La Joya ISD; Lincoln Elementary, Edinburg CISD; Progreso ISD; Mercedes ISD and Weslaco, ISD.

- Promote a college-going culture for high school students participating in college bound programming and campus visits. Hidalgo and Starr Counties are home to over 77 high school sites with over 55,000 students in grades 9-12. In 2014, the College Connections and Dual2Degree staff conducted over 100 high school visits, hosted 30 college bound events and welcomed over 150 schools to one of our 5 campuses.

The Board awarded the contracts for promotional items for student outreach at the November 26, 2013 Board of Trustees meeting for one year with two one-year options to renew. The first renewal period begins November 27, 2014 through November 26, 2015.

The vendors have complied with all the terms and conditions of the contract and services have been satisfactory.

Funds for this expenditure are budgeted in the College Connections and Admissions and Dual2Degree and Public Relations and Marketing budgets for FY 2014-2015.

31) Promotional T-Shirts for Student Outreach (Renewal)

Renew the contracts for promotional t-shirts for student outreach for the period beginning November 27, 2014 through November 26, 2015, at an estimated cost of \$71,000.00. The vendors are as follows:

- A & L Athletics (McAllen, TX)
- Authentic Promotions.com (Carmichael, CA)
- Gateway Printing & Office Supply (Edinburg, TX)
- Images in Ink, Inc. (McAllen, TX)
- Imprezos Pro Uniforms, LLC. (Pharr, TX)
- Safeguard Universal, LLC. (Corpus Christi, TX)

The promotional items consist of t-shirts that will be used by Student Activities, Student Outreach and Public Relations and Marketing, for student recruitment and marketing throughout the district. The shirts are used to build brand loyalty and identify with prospective students, their families and the community.

- Student Activities - \$25,000.00
 - ⇒ Student Intramural Sport Teams (Basketball, Soccer, Flag Football, Dodge Ball, Volleyball, etc.)
 - ⇒ Student Leadership Academy and Student Government Association
 - ⇒ South Texas College Fitness Academy for Marketing and Recruitment
 - ⇒ Student Activities and Wellness events for marketing and recruitment (Earth Day, etc.)
 - ⇒ First Year Connection Orientation for new students
- College Connections and Dual2Degree - \$27,000.00
 - ⇒ College Bound t-shirts for elementary school students participating in the school adoption program. Each student received a future student t-shirt that is worn on South Texas College Friday's. The college has the following eleven (11) elementary schools: Marcell Elementary, Mission CISD; Roosevelt Elementary, McAllen ISD;

Cesar Chavez Elementary, Pharr San Juan Alamo ISD; North Grammar Elementary, Rio Grande City CISD; E.B. Reyna Elementary, La Joya ISD; Lincoln Elementary, Edinburg CISD; Progreso ISD, Mercedes ISD and Weslaco ISD. The program helps create a college-going culture.

⇒ South Texas College t-shirts for distribution to high school students participating in college bound programming and campus visits. Hidalgo and Starr Counties are home to over 77 high school sites with over 55,000 students in grades 9-12. In 2014, the College Connections and Dual2Degree staff conducted over 100 high school visits, hosted 30 college bound events and welcomed over 150 schools to one of our 5 campuses.

- Public Relations and Marketing - \$19,000.00

- ⇒ Increase awareness of South Texas College at different community events and organizations, such as Borderfest
- ⇒ Promote career/health fairs, festivals, financial aid fairs and campus community events
- ⇒ Promote numerous community events that benefit the College and college partners
- ⇒ Promote special recruitment events such as Ladies Night at the Technology Campus, Lunch and Learn program and registration round-ups
- ⇒ Create awareness through Jerry the Jaguar appearances at parades and other community events, school events, college activities, etc.
- ⇒ Alumni & Friends activities for students, graduates and community members to recruit members to the organization
- ⇒ Promote student recruitment for the certificate, associate degree and bachelor of applied technology programs
- ⇒ Recognition for speakers and special visitors to the college
- ⇒ Promote “Junior Jaguar” program to elementary age children to instill a college-going culture
- ⇒ Promote the “Graduate on Time” program to encourage students to complete graduation
- ⇒ Promote the educational partnership with the Vipers basketball team

The Board awarded the contracts for promotional t-shirts for student outreach at the November 26, 2013 Board of Trustees meeting for one year with two one-year options to renew. The first renewal period begins November 26, 2014 through November 25, 2015.

The vendors have complied with all the terms and conditions of the contract and services have been satisfactory.

Funds for this expenditure are budgeted in the Student Activities, College Connections and Dual2Degree and Public Information and Marketing budgets for FY 2014-2015.

32)Records Management Services (Renewal)

Renew the contract for records management services with Records Consultant, Inc. (San Antonio, TX), for the period beginning November 1, 2014 through October 31, 2015, at an estimated cost of \$20,000.00.

The records management services will provide boxing of records, dating of records, tracking of records and destruction of records for the Business Office, Admissions, Financial Aid, Human Resources, Accountability, Maintenance, Purchasing and other departments as necessary.

The Board awarded the contract for records management services at the October 30, 2012 Board of Trustees meeting for one year with two one-year options to renew. The last renewal period begins November 1, 2014 through October 31, 2015.

The vendor has complied with all the terms and conditions of the contract and services have been satisfactory.

Funds for this expenditure are budgeted in the Records Retention budget for FY 2014-2015.

33) Billboard Advertising Space (Lease/Purchase)

Lease of billboard advertising space from Lamar Limited Texas (San Benito, TX), a sole source vendor, for the period beginning November 17, 2014 through February 18, 2015, at a total cost of \$40,980.00.

As part of the upcoming branding and enrollment campaign, the billboard advertising space will provide highly visible media that will reach areas in Hidalgo and Starr counties such as:

- 10 billboards, 12 week run
- Targeting 2,058,304 impressions for the entire run
- Rates range from \$500 to \$2,000 per 4 week period
- CPM (Cost to per 1,000 impressions) is \$8.11
- Locations are Donna, Alamo, San Juan, Mercedes, Edinburg, Mission, Palmview, Rio Grande City, Roma, and Weslaco

Funds for this expenditure are budgeted in the Public Information budget for FY 2014-2015.

34) Graduation Facility (License Agreement)

Lease the graduation facility from the City of Hidalgo – Texas Municipal Facilities Corporation (State Farm Arena) (Hidalgo, TX), an interlocal license agreement for May 14, 2015 beginning at 8:00 a.m. through May 16, 2015 at midnight, at an estimated cost of \$23,000.00.

The ceremonies will be held on Friday, May 15, 2015 and Saturday, May 16, 2015.

The facilities will be used for all South Texas College graduation ceremonies in May 2015. The cost includes the use of the facility, audio visual equipment and personnel.

Funds for this expenditure are budgeted in the Graduation Account budget for FY 2014-2015.

35) Online Access to Various Resources and Training Materials (Interlocal Agreement)

Enter into an interlocal agreement with the Oregon State Board of Higher Education through Portland State University, for the period beginning October 1, 2014 through September 30, 2015, at a total cost of \$5,000.00.

This agreement will provide the community with training opportunities in digital literacy and internet use.

Funds for this expenditure are budgeted in the Continuing Professional and Workforce Education Carryover budget for FY 2014-2015.

Recommendation:

The Finance and Human Resources Committee recommended Board approval of the proposal awards, purchases, and renewals as listed below:

- 1) Audio Visual Capture Device (Award):** award the proposal for an audio visual capture device to Audio Visual Aids Corp (San Antonio, TX), at a total cost of \$30,209.00;
- 2) Merchant Services (Award):** award the proposal for merchant services (credit card processing) to BBVA Compass (McAllen, TX) for the period beginning November 1, 2014 through October 31, 2016 with three one-year options to renew for an estimated annual cost of \$271,582.11, which is based on projected transactions;
- 3) Online Defensive Driving Training (Award):** award the proposal for online defensive driving training to I Drive Safely, LLC. (Carlsbad, CA), for the period beginning November 1, 2014 through October 31, 2015 with two one-year options to renew. The College will receive \$8.75 commission payment per student, which is 35% of the total student tuition of \$25.00;
- 4) Travel Package for TexPrep Program (Reject):** reject the proposal for travel package for TexPrep program due to the one proposal received being over the allowable grant budget;
- 5) Advertisement Agreement – Buses (Purchase):** purchase an advertisement agreement for buses from Lower Rio Grande Valley Development Council/Valley Metro (Weslaco, TX), a sole source vendor, for the period beginning December 1, 2014 through August 31, 2015, at a total cost of \$29,561.40;
- 6) Advertisement Agreement – Continuing Education (Purchase):** purchase an advertisement agreement for Continuing Education from ACM Valley Multimedia Network/dba Valley Town Crier (McAllen, TX), a sole source vendor, for the period beginning September 17, 2014 through August 31, 2015, at a total cost of \$15,480.00;
- 7) Catering Services (Purchase):** purchase catering services from Centerplate at McAllen Convention Center (McAllen, TX), a sole source vendor, at an estimated cost of \$28,700.00;
- 8) Computers, Laptops and Tablets (Purchase):** purchase computers, laptops, and tablets from the State of Texas Department of Information Resources (DIR) approved vendor Dell Marketing, LP. (Dallas, TX) and from the National Joint Powers Alliance approved vendor CDW Government, in the total amount of \$98,054.44;
- 9) Digital Advertising Agreement (Purchase):** purchase a digital advertising agreement from Millennial Media, Inc./Jumptap (Baltimore, MD), a sole source vendor, for the period beginning November 1, 2014 through January 31, 2015, at a total cost of \$10,000.00;

10)Furniture (Purchase): purchase furniture from the State of Texas Multiple Award Schedule (TXMAS) and Texas Association of School Boards – Buyboard approved vendors, at a total amount of \$141,456.88.

A	Allsteel, Inc.	\$19,600.09
B	Datum	\$1,275.62
C	Exemplis Corporation	\$3,525.00
D	The Hon Company	\$1,825.48
E	Inscape, Ltd.	\$29,667.59
F	Krueger International, Inc.	\$82,163.11
G	VIA, Inc.	\$3,399.99
	Total Amount	\$141,456.88

11)Overnight Delivery Services (Purchase): purchase overnight delivery services from FedEx Government Services (Memphis, TN/Pharr, TX), a Texas Procurement and Support Services (TPASS) term contract approved vendor, a division of the Texas Comptroller of Public Accounts, for the period beginning September 1, 2014 through August 31, 2015, at an estimated cost of \$11,000.00 based on prior year expenditures;

12)Police Equipment and Accessories (Purchase): purchase police equipment and accessories from GT Distributors, Inc. (Austin, TX), a Texas Association of School Boards – Buyboard approved vendor, for the period beginning October 29, 2014 through August 31, 2015, at a total cost of \$145,000.00;

13)Police Vehicle Equipment and Accessories (Purchase): purchase police vehicle equipment and accessories from Fleet Safety Equipment, Inc. (Houston, TX), a Texas Association of School Boards – Buyboard approved vendor, for the period beginning October 29, 2014 through August 31, 2015, at an estimated amount of \$90,000.00;

14)Servers (Purchase): purchase servers from Dell Marketing, LP. (Dallas, TX), a State of Texas Department of Information Resources (DIR) approved vendor, at a total cost of \$36,944.85;

15)Science Instructional Supplies and Equipment (Purchase): purchase science instructional supplies and equipment from Fisher Science Education (Hanover Park, IL), a U. S. Communities (Purchasing Cooperative) approved vendor, for the period beginning September 1, 2014 through August 31, 2015, at an estimated amount of \$20,000.00 based on prior year expenditures;

16)Student Information Distribution Services (Purchase): purchase student information distribution services from Valley Newspaper Holdings, LLP./dba Valley Town Crier (McAllen, TX), a sole source vendor, for the period beginning November 1, 2014 through August 31, 2015, at an estimated cost of \$29,095.00;

17)Testing Materials - CAAP (Purchase): purchase testing materials - CAAP from ACT CAAP (Iowa City, IA), a sole source vendor, at an estimated cost of \$18,375.00;

18)Web-Network Advertisement Agreement (Purchase): purchase a web-network advertisement agreement from Adiant/Adblae (New York, NY), a sole source vendor, for the period beginning November 1, 2014 through January 31, 2015, at a total cost of \$10,000.00;

19)Welding Supplies and Gases (Purchase): purchase welding supplies and gases from AOC Welding Supply/Praxair (McAllen, TX), a Harris County Department of Education – Choice Partner (Purchasing Cooperative) approved vendor, for the period beginning September 1, 2014 through August 31, 2015, at an estimated cost of \$25,000.00 based on prior year expenditures;

- 20)Catering Services (Renewal):** renew the contracts for catering services for the period beginning November 21, 2014 through November 20, 2015, at an estimated cost of \$55,000.00 based on prior year expenditures. The vendors are as follows:
- a. Cornerstone Catering (Edinburg, TX)
 - b. Delgar Foods/dba Delia's (Pharr, TX)
 - c. Domine Catering, LLC. (McAllen, TX)
 - d. El Reno Investments, LLC./dba Subway (Mission, TX)
 - e. El Patio Restaurant (Mission, TX)
 - f. Esperanza on Fifth, LLC./dba Blimpie (Weslaco, TX)
 - g. Jason's Deli (Corpus Christ, TX/McAllen, TX)
 - h. Pizza Properties, Inc./dba Peter Piper Pizza (El Paso, TX/McAllen, TX)
 - i. Teresita's/dba Atencion Selecta (McAllen, TX)
- 21)Chiller Maintenance Service (Renewal):** renew the contract for chiller maintenance service with Pro Tech Mechanical, Inc. (Corpus Christi, TX), for the period beginning November 21, 2014 through November 20, 2015, at an estimated cost of \$83,705.01;
- 22)Institutional Membership – AACC (Renewal):** renew the institutional membership with American Association of Community Colleges (AACC) (Washington, D.C.), a sole source vendor, for the period beginning January 1, 2015 through December 31, 2015, at a total cost of \$15,490.00;
- 23)Institutional Membership – TACC (Renewal):** renew the institutional membership with Texas Association of Community Colleges (TACC) (Austin, TX), a sole source vendor, for the period beginning September 1, 2014 through August 31, 2015, at a total cost of \$79,157.00;
- 24)Internet Services (Renew):** renew the internet services with Time Warner Cable through the State of Texas Department of Information Resources (DIR) for the period beginning April 1, 2015 through March 31, 2016, at a monthly cost of \$15,500.00, a one-time upgrade fee of \$500.00, a monthly federal fee of \$2,790.00, and at an annual cost of \$219,980.00. The State of Texas Department of Information Resources (DIR) contracts are for a three (3) year period. The total cost of the three-year contract is \$658,940.00;
- 25)Microsoft Campus License Agreement (Renewal):** renew the Microsoft Campus License agreement with Software House International (SHI) Government (Austin, TX), a State of Texas Department of Information Resources (DIR) approved vendor, for the period beginning November 1, 2014 through October 31, 2015, at a total cost of \$110,623.96;
- 26)Mobile Storage Services (Renewal):** renew the contracts for mobile storage services for the period beginning December 18, 2014 through December 17, 2015, at an estimated cost of \$10,000.00. The vendors are as follows:
- Mobile Mini I, Inc. (Tempe, AZ/Pharr, TX)
 - PODS of the Rio Grande Valley (Edinburg, TX)
- 27)Online Admissions Application Service (Renewal):** renew the online admissions application service with Texas Higher Education Coordinating Board (Austin, TX), a sole source vendor, for the period beginning September 1, 2014 through August 31, 2015, at a total cost of \$10,660.00;
- 28)Online Course Evaluation License Agreement (Renewal):** renew the online course evaluation license agreement with Gap Technologies, Inc. (Buffalo, NY), a sole source vendor, for the period beginning January 15, 2015 through January 14, 2016, at an estimated cost of \$22,000.00;

- 29)Physical and Mental Fitness Training (Renewal):** renew the contract for physical and mental fitness training with Cross Fit One (McAllen, TX), for the period beginning November 1, 2014 through October 31, 2015, at no charge to the College. Each student will pay South Texas College \$360.00 for the course and the vendor will bill South Texas College \$325.00. South Texas College will make a commission of \$35.00 per student enrolled in the course and provide for the recovery of administrative costs associated with the program.
- 30)Promotional Items for Student Outreach (Renewal):** renew the promotional items for student outreach for the period beginning November 27, 2014 through November 26, 2015, at an estimated cost of \$55,000.00. The vendors are as follows:
- Primary: Authentic Promotions.com (Carmichael, CA)
 - Secondary: Safeguard Universal, LLC. (Corpus Christi, TX)
Imprezos Pro Uniforms, LLC. (Pharr, TX)
Images In Ink, Inc. (McAllen, TX)
Elite Promotions (Brownsville, TX)
Gateway Printing & Office Supply (Edinburg, TX)
- 31)Promotional T-Shirts for Student Outreach (Award):** renew the contracts for promotional t-shirts for student outreach for the period beginning November 27, 2014 through November 26, 2015, at an estimated cost of \$71,000.00. The vendors are as follows:
- A & L Athletics (McAllen, TX)
 - Authentic Promotions.com (Carmichael, CA)
 - Gateway Printing & Office Supply (Edinburg, TX)
 - Images in Ink, Inc. (McAllen, TX)
 - Imprezos Pro Uniforms, LLC. (Pharr, TX)
 - Safeguard Universal, LLC. (Corpus Christi, TX)
- 32)Records Management Services (Renewal):** renew the contract for records management services with Records Consultant, Inc. (San Antonio, TX), for the period beginning November 1, 2014 through October 31, 2015, at an estimated cost of \$20,000.00;
- 33)Billboard Advertising Space (Lease/Purchase):** lease billboard advertising space from Lamar Limited Texas (San Benito, TX), a sole source vendor, for the period beginning November 17, 2014 through February 18, 2015, at a total cost of \$40,980.00;
- 34)Graduation Facility (License Agreement):** lease the graduation facility from the City of Hidalgo – Texas Municipal Facilities Corporation (State Farm Arena) (Hidalgo, TX), an interlocal license agreement for May 14, 2015 beginning at 8:00 a.m. through May 16, 2015 at midnight, at an estimated cost of \$23,000.00;
- 35)Online Access to Various Resources and Training Materials (Interlocal Agreement):** enter into an interlocal agreement with the Oregon State Board of Higher Education through Portland State University, for the period beginning October 1, 2014 through September 30, 2015, at a total cost of \$5,000.00.

SUMMARY TOTAL:

The total for all proposal awards, purchases, renewals, leases, and interlocal agreement is \$1,832,054.65.

The following Minute Order is proposed for consideration by the Board of Trustees:

The Board of Trustees of South Texas College approves and authorizes the proposal awards, purchases, renewals, leases, and interlocal agreement as presented.

Approval Recommended:

Shirley A. Reed, M.B.A., Ed.D.

President

Review and Action as Necessary to Revise Policy #5120: Investment Policy and Investment Strategy Statement

Approval to revise Policy #5120: Investment Policy and Investment Strategy Statement is requested.

The Public Funds Investment Act (PFIA), Chapter 2256.005 (e) requires the governing body of an investing entity to review its Investment Policy and Investment Strategy Statement not less than annually. The governing body must adopt a written instrument by rule, order, ordinance, or resolution stating that it has reviewed the Investment Policy and Investment Strategy Statement and that the written instrument so adopted shall record any changes made to either the Investment Policy or Investment Strategy Statement.

The College's Investment Policy and Investment Strategy Statement was submitted and reviewed by the Government Treasurers' Organization of Texas (GTOT). Our Policy reflects several revisions recommended by GTOT. The College was awarded the Certificate of Distinction by the Government Treasurers' Organization of Texas (GTOT) for the Investment Policy. This Certificate is for a two-year period ending August 31, 2016.

The administration brings the Investment Policy and Investment Strategy Statement to the Board of Trustees annually, as required. The Investment Policy and Investment Strategy Statement were reviewed by South Texas College's legal counsel and Long Chilton, LLP, external auditors.

The following revisions are necessary to enhance understanding of the Investment Policy and Investment Strategy Statement.

Investment Policy:

- On page 2, Section I B – deleted the word “and”; and changed “Section III.D.1” to “Section III.G.1.” (to correct section reference)
- On page 3, Section II A – changed “avoided” to “minimized” and “construction” to “Unexpended Plant.” (to change wording and correct fund name)
- On page 4-5, Section III A 7 – added the word “with,” “has,” and “be”; added the statements “provides South Texas College with a prospectus and other information required by the Securities Exchange Act of 1934 or the Investment Company Act of 1940” and “and conforms to the requirements set forth in Sections 2256.016(b) and (c) of the Act relating to the eligibility of investment pools to receive and invest funds of investing entities”; and deleted the words “with,” “that,” “money market,” “and” and “no-load.” (to comply with PFIA and GTOT)
- On page 5, Section III A 8 – added the phrase “by rule, order, ordinance, or resolution.” (to comply with PFIA)

- On page 5, Section III E – added the phrase “by qualifying the broker, dealer, and financial institution with whom the College will transact” (to minimize the risk of loss)
- On page 7-8, Section III E 4 – added the statement “the Agreement states the securities and collateral will be held in South Texas College’s name as evidenced by safekeeping receipts of the institution with which the securities are deposited.” (to comply with GTOT)
- On page 8, Section III E 4 c – added the phrases “and liable” and “the collateral and.” (to strengthen the monitoring of collateral)
- On page 8-9, Section III E 5 – added the words “and custody” and added the statements “or held as collateral to secure time and demand deposits” (to strengthen the requirement for safekeeping) and “Securities and collateral will be held in South Texas College’s name as evidenced by safekeeping receipts of the institution with which the securities are deposited.” (to comply with GTOT)
- On page 9-10, Section III F – changed “Investment Officers” and “Investment Committee” to “Board of Trustees,” “including” to “include,” and “registered principal” to “qualified representative”; added the statements “The Board of Trustees may contract with an investment management firm registered under the Investment Advisers Act of 1940 or with the State Securities Board to provide for the investment and management of its public funds under its control. The contract period will be for a maximum of two years, and a renewal or extension of the contract must be made by the Board of Trustees by order, ordinance, or resolution” and “, as defined in the Act”; added the words “the following,” “dealers,” “banks,” and “pools,;” added the phrase “investment providers”; and deleted the phrase “Investment Officers will establish.” (to comply with PFIA)
- On page 10, Section III G 1 – deleted the phrase “the Associate Vice President for Financial Services”; changed “six” to “twelve”; and added the phrase “review brokers/dealers/banks/pools and independent training sources.” (to comply with PFIA)
- On page 12, Section III G 6 – changed the statement “state agency or local government” to “College” and “agency’s or local government’s” to “College’s.” (to correct College reference)
- On page 12, Section III G 7 – added the statement “The methods/sources to be used to monitor the market price of investments that have been acquired with public funds shall be from sources deemed reliable by an Investment Advisor, brokers/dealers”; added the phrase “or other market pricing services”; and deleted the phrase “will be used to monitor the market price of acquired investments.” (to include additional methods of monitoring market price)
- On page 13, Section III G 10 – deleted the statement “The College’s Investment Policy shall be adopted annually by resolution of the College’s Board of Trustees”; deleted the word “Advisory”; added the word “Investment”; and added the phrase “and Investment Strategy.” (to remove duplicate statement)

Investment Strategy Statement:

- On page 2 of the Investment Strategy Statement – changed the phrases “Operating Funds, Construction and Unexpended Plant Funds and Funds for Retirement of Indebtedness” to “all fund types” and “the Operating Funds portfolio” to “all fund types, except for Unexpended Plant Funds and Funds for Retirement of Indebtedness”; and deleted the words “Construction and.” (to change wording on fund types)

In addition, minor grammatical changes were made throughout the documents.

The revised Policy follows in the packet for the Board’s information and review. The additions to the Policy are in italics and highlighted in yellow and the deletions are designated with a strikeout.

The Finance and Human Resources Committee recommended Board approval of the revisions to Policy #5120: Investment Policy and Investment Strategy Statement as presented and which supersedes any previously adopted Board Policy.

Recommendation:

It is recommended that the Board of Trustees of South Texas College approve and authorize the revisions to Policy #5120: Investment Policy and Investment Strategy Statement as presented and which supersedes any previously adopted Board Policy.

The following Minute Order is proposed for consideration by the Board of Trustees:

The Board of Trustees of South Texas College approves and authorizes the revisions to Policy #5120: Investment Policy and Investment Strategy Statement as presented and which supersedes any previously adopted Board Policy.

Approval Recommended:

Shirley A. Reed, M.B.A., Ed.D.
President

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Legal Authority	Approval of the Board of Trustees	Page 1 of 13
Date Approved by Board	Board Minute Order Dated October 12, 1995	
Date Amended by Board	As Amended by Board Minute Order Dated August 8, 1996 As Amended by Board Minute Order Dated December 11, 1997 As Amended by Board Minute Order Dated October 15, 1998 As Amended by Board Minute Order Dated October 17, 2002 As Amended by Board Minute Order Dated October 16, 2003 As Amended by Board Minute Order Dated October 21, 2004 As Amended by Board Minute Order Dated November 17, 2005 As Amended by Board Minute Order Dated October 19, 2006 As Amended by Board Minute Order Dated February 15, 2007 As Amended by Board Minute Order Dated October 18, 2007 As Amended by Board Minute Order Dated October 13, 2008 As Amended by Board Minute Order Dated June 25, 2009 As Amended by Board Minute Order Dated November 23, 2009 As Amended by Board Minute Order Dated October 25, 2010 As Amended by Board Minute Order Dated October 27, 2011 As Amended by Board Minute Order Dated October 30, 2012 As Amended by Board Minute Order Dated October 28, 2013 <i>As Amended by Board Minute Order Dated October 28, 2014</i>	

PREFACE

It is the policy of South Texas College that, giving due regard to the safety and risk of investment, all available funds shall be invested in conformance with State and Federal Regulations, applicable Bond Resolution requirements, adopted Investment Policy and adopted Investment Strategy.

Effective cash management is recognized as essential to good fiscal management. Aggressive cash management and effective investment strategy development will be pursued to take advantage of interest earnings as viable and material revenue to all South Texas College funds. The South Texas College portfolio shall be designed and managed in a manner responsive to the public trust and consistent with this Policy.

Investments shall be made with the primary objectives of:

- Preservation of capital and safety of South Texas College funds,
- Maintenance of sufficient liquidity,
- Maximization of return within acceptable risk constraints, and
- Diversification of investments.

~~Strikethrough denotes deletion~~
Italics denote addition

MANUAL OF POLICY

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I. PURPOSE

A. Formal Adoption

This Investment Policy (hereinafter “Investment Policy” or “Policy”) is authorized by South Texas College in accordance with Chapter 2256, Texas Government Code, the Public Funds Investment Act (hereinafter the “Act” or “Public Funds Investment Act”) and shall be interpreted to at all times to comply with the Act.

B. Scope

This Investment Policy applies to all financial assets of South Texas College and includes the following funds or fund types: Unrestricted, Auxiliary, Restricted, Loan, Endowment, Agency, Funds for Renewal and Replacement, Unexpended Plant Funds, ~~and~~ Funds for Retirement of Indebtedness, and any other funds which have been contractually delegated to South Texas College for management purposes.

This Policy establishes guidelines for:

- 1) who can invest South Texas College funds,
- 2) how South Texas College funds will be invested, and
- 3) when and how a periodic review of investments will be made. In addition to this Policy, bond funds (as defined by the Internal Revenue Service) shall be managed in accordance with their issuing documentation and all applicable State and Federal Laws.

All investments made with South Texas College (hereinafter “South Texas College” or the “College”) funds prior to the adoption of this Investment Policy shall be held or liquidated as determined by the Investment Committee (defined hereinafter in Section III. **G** ~~D~~.1 of the Policy) to be in the best interest of the financial well-being of South Texas College.

C. Review and Amendment

This Policy shall be reviewed annually by the Board of Trustees. Amendments must be adopted by the Board of Trustees.

D. Investment Strategy

In conjunction with the annual Policy review, the Board of Trustees shall review the separate written investment strategy for each of South Texas College’s funds. The investment strategy must describe the investment objectives for each fund according to the following priorities:

- 1) understanding of the suitability of the investment to the financial requirements of South Texas College
- 2) preservation and safety of principal,
- 3) liquidity,
- 4) marketability of the investment if the need arises to liquidate the investment prior to maturity,
- 5) diversification of the investment portfolio, and
- 6) yield.

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II. INVESTMENT OBJECTIVES

A. Safety of Principal

The primary objective of all investment activity is the preservation of capital and the safety of principal in the overall portfolio. Each investment transaction shall seek to ensure first that capital losses are **minimized** ~~avoided~~, whether they are from securities defaults or erosion of market value.

The objective will be to mitigate credit and interest rate risk.

- **Credit Risk:** In accordance with State law and the College's Investment Policy, the College limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its pay value upon maturity, by limiting its investments to the types herein described: obligations of the United States and its Agencies and Instrumentalities, direct or guaranteed obligations of the State of Texas, obligations of states, agencies, counties, cities or other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm of not less than "A" or its equivalent, certificates of deposit which are secured by obligations described above and governed by a depository agreement, money market mutual funds regulated by the SEC, or eligible investment pools organized and operating in compliance with the Public Funds Investment Act. The College's Investment Policy also seeks to minimize its concentration of credit risk by establishing the following maximum percentages of investment types for the total College portfolio: U.S. Treasury Bills/Notes/Bonds 100%; U.S. Agencies and Instrumentalities 100%; States, Counties, Cities, and Other 25%; Certificates of Deposit 100%; Money Market Mutual Funds 25%; and Eligible Investment Pools 50%.
- **Interest Rate Risk:** In accordance with its Investment Policy, the College limits its exposure to interest rate risk by investing in securities whose maturities will not exceed the anticipated cash flow requirements for the funds. College policy states that investments of operating funds are limited to a weighted average of 270 days until maturity for all investments, with a maximum allowable maturity of two years for any one investment. The investment maturities of **Unexpended Plant** ~~construction~~ Funds and of Funds for Retirement of Indebtedness are generally limited to the anticipated cash flow requirements of the funds.

B. Maintenance of Adequate Liquidity

The investment portfolio will remain sufficiently liquid to meet the cash flow requirements that might be reasonably anticipated. Liquidity shall be achieved by matching investment maturity with forecasted cash flow requirements; investing in securities with active secondary markets; and maintaining appropriate portfolio diversification.

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C. Market Rate of Return (Yield)

The College's investment portfolio shall be designed with the objective of attaining a rate of return throughout budgetary and economic cycles, consistent with the College's investment risk constraints and the cash flow needs projected. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. The core of investments is limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed.

III. INVESTMENT POLICIES

A. Authorized Investments

Investments described below are authorized by the Public Funds Investment Act as eligible securities. South Texas College restricts its investments to the following securities authorized by the Public Funds Investment Act.

- 1) Obligations, including letters of credit, of the United States or its agencies and instrumentalities.
- 2) Direct obligations of the State of Texas, or its agencies and instrumentalities.
- 3) Collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States.
- 4) Other obligations, the principal and interest on which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, the State of Texas or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States.
- 5) Obligations of states, agencies, counties, cities, and other political subdivisions of any State rated as to investment quality by a nationally recognized investment rating firm not less than "A" or its equivalent. The College will take all prudent measures that are consistent with its Investment Policy to liquidate an investment that does not have the minimum rating.
- 6) Certificates of deposit issued by a depository institution that has its main office or branch in Texas and is:
 - a) guaranteed or insured by the Federal Deposit Insurance Corporation (FDIC) or its successors or the National Credit Union Share Insurance Fund or its successor;
 - b) secured by obligations that are described by 1- 5 above, including mortgage backed securities directly issued by a federal agency or instrumentality that have a market value of not less than the principal amount of the certificates; or
 - c) secured in any other manner and amount provided by law for deposits of the College.
 - d) governed by a Depository Agreement, as described in E.4 of this section, that complies with Federal and State Regulation; and
 - e) solicited for bid orally, in writing, electronically, or any combination of those methods, unless acquired exclusively from the South Texas College depository.
- 7) No-load money market mutual funds registered *with* and regulated by the Securities and Exchange Commission; *provides South Texas College with a prospectus and other information required by the Securities and Exchange Act of 1934 or the Investment Company Act of 1940; has with* a dollar weighted average portfolio maturity of 90 days or less; ~~that~~ fully invest dollar-for-dollar all South Texas College funds without sales commissions or loads; and, whose investment objectives include seeking to maintain a stable net asset value of \$1 per share. No-load ~~money-market~~ mutual funds

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must be registered with the Securities and Exchange Commission (SEC), have an average weighted maturity of less than two years, be invested exclusively in obligations approved in this section, **and be** is continuously rated as to investment quality by at least one nationally recognized investment rating firm of not less than AAA or its equivalent, **and conforms to the requirements set forth in Sections 2256.016(b) and (c) of the Act relating to the eligibility of investment pools to receive and invest funds of investing entities.** South Texas College may not invest funds under its control in an amount that exceeds 15% of its monthly average fund balance, excluding bond proceeds and reserves and other funds held for debt service in no-load ~~money market~~ mutual funds. The College may not invest any portion of bond proceeds, reserves and funds held for debt service, in no-load ~~money market~~ mutual funds or invest its funds or funds under its control, including bond proceeds and reserves and other funds held for debt service, in any one ~~no-load money market~~ mutual fund in an amount that exceeds 10 percent of the total assets of the mutual fund.

- 8) Eligible investment pools organized and operating in compliance with the Public Funds Investment Act that have been authorized by the Board of Trustees **by rule, order, ordinance, or resolution** and whose investment philosophy and strategy is consistent with this Policy and South Texas College's ongoing investment strategy. A public funds investment pool must be continuously rated no lower than AAA or AAA-m or at an equivalent rating by at least one nationally recognized rating service.
- 9) To the extent the bonds or other obligations of the College or a municipal bond insurance policy further limits the types of investments the College makes with funds pledged to the payment of those bonds or obligation, the provisions thereof shall govern.
- 10) Procedures to monitor rating changes in investments acquired with public funds and the liquidation of such investments consistent with the provisions of Section III D.

B. Existing Investments

The College is not required to liquidate investments that were authorized investments at the time of the purchase.

C. Prohibited Investment

South Texas College expressly prohibits any direct investment in asset or mortgage backed securities. South Texas College expressly prohibits the acceptance for collateralized deposits in interest-only and principal-only mortgage backed securities and collateralized mortgage obligations.

D. Effect of Loss of Required Rating

All prudent measures will be taken to liquidate an investment that is downgraded to less than the required minimum rating.

E. Protection of Principal

South Texas College shall seek to control the risk of loss due to the failure of a security issuer or grantor. Such risk shall be controlled by investing only in the safest types of securities as defined in the Policy; **by qualifying the broker, dealer, and financial institution with whom the College will transact;** by collateralization as required by law; and through portfolio diversification by maturity and type.

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The purchase of individual securities shall be executed “delivery versus payment” (DVP) through the South Texas College Safekeeping Agent. By so doing, South Texas College’s funds are not released until South Texas College has received, through the Safekeeping Agent, the securities purchased.

1. Diversification by Investment Type

Diversification by investment type shall be maintained by ensuring an active and efficient secondary market in portfolio investments and by opportunity risks associated with specific investment types.

Diversification by investment type shall be established by the following maximum percentages of investment type to the total South Texas College investment portfolio at the time of each investment transaction:

- a. U.S. Treasury Bills/Notes/Bonds 100%
- b. U.S. Agencies and Instrumentalities 100%
- c. States, Counties, Cities, and Other 25%
- d. Certificates of Deposit 100%
- e. Money Market Mutual Funds 25%
- f. Eligible Investment Pools 50%

Bond proceeds may be invested in a single security or investment if the Investment Committee determines that such an investment is necessary to comply with Federal arbitrage restrictions or to facilitate arbitrage record-keeping and calculations.

2. Diversification by Investment Maturity

In order to minimize risk of loss due to interest rate fluctuations, investment maturities will not exceed the anticipated cash flow requirements of the funds. Maturity guidelines by fund are as follows: (Investment transactions made prior to the adoption of this Policy are not subject to these guidelines).

a) Unrestricted, Auxiliary, Restricted, Loan, Endowment, Agency and Plant Renewal and Replacement Funds

The weighted average days to maturity for the portfolio of these funds shall be less than 270 days and the maximum allowable maturity shall be two years for any one investment.

b) Unexpended Plant Funds

The investment maturity of Unexpended Plant Funds, allocable to a bond issue, shall generally be limited to the anticipated cash flow requirements or the “Temporary Period,” as defined by the U.S. Tax Code and the regulations thereunder. During the Temporary Period, bond proceeds may be invested at an unrestricted yield. After the expiration of the Temporary Period, bond proceeds subject to yield restriction shall be invested consistent with yield restrictions under the U.S. Tax Code and the regulations thereunder.

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The weighted average days to maturity for the unexpended plant funds not allocable to a bond issue shall be less than 270 days and the maximum allowable maturity shall be two years for any one investment.

c) Funds for Retirement of Indebtedness

Funds, along with other available monies, shall be invested to ensure adequate funding for debt service payment. The Investment Officers shall ensure that the investments shall mature on such dates as the available monies and the anticipated receipts from investments will be sufficient to pay, when due, the principal, interest and call premiums, if any, of the outstanding obligations.

South Texas College's funds that are considered "bond proceeds" for arbitrage purposes will be invested using a more conservative approach than the standard investment strategy when arbitrage rebate rules require rebate of excess earnings. All earnings in excess of the allowable arbitrage earnings ("rebate liability") will be segregated and made available for any necessary payments to the U.S. Treasury.

3. South Texas College Liquidity

Liquidity shall be achieved by anticipating cash flow requirements, by investing in securities with active secondary markets and by investing in eligible money market mutual funds and local government investment pools.

A security may be liquidated to meet unanticipated cash requirements, to redeploy cash into other investments expected to outperform current holdings, or otherwise to adjust the portfolio.

4. Depository Agreements

Consistent with the requirements of State law, South Texas College requires all bank deposits to be federally insured or collateralized with eligible securities. Financial institutions serving as South Texas College's Depositories will be required to sign a Depository Agreement (hereinafter "Agreement") with South Texas College and South Texas College's safekeeping agent.

The safekeeping portion of the Agreement shall define South Texas College's rights to the collateral in case of default, bankruptcy, or closing and shall establish a perfected security interest in compliance with Federal and State regulations, including:

- the Agreement must be in writing;
- the Agreement has to be executed by the Depository and South Texas College contemporaneously with the acquisition of the asset;
- the Agreement must be executed in compliance with the Financial Institutions Resource and Recovery Enforcement Act (FIRREA) and approved by the Board of Directors or the loan committee of the Depository and a copy of the meeting minutes must be delivered to South Texas College;
- the Agreement must be part of the Depository's "official record" continuously since its execution.

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agreements or *held as collateral to secure time and demand deposits. Securities and collateral will be held in South Texas College's name as evidenced by safekeeping receipts of the institution with which the securities are deposited.*

b) Safekeeping of Deposit Collateral

All collateral securing bank and savings and loan deposits must be held by a third party banking institution acceptable to and under contract with South Texas College or by the Federal Reserve Bank.

6. Competitive Bidding

The College will require at least three competitive offers or bids for all individual security purchases and sales (excluding money market mutual funds, certificates of deposit, and local government investment pools (Section III A)) and require any investment advisor to do the same.

F. Investment Advisors and Investment Providers

Investment Advisors shall adhere to the spirit, philosophy, and specific term of this Policy and shall invest within the same "Standard of Care." Investment Providers shall adhere to the spirit and philosophy of this Policy and shall avoid recommending or suggesting transactions outside that "Standard of Care."

Selection of Investment Advisors and Investment Providers will be performed by the *Board of Trustees Investment Officers. The Board of Trustees may contract with an investment management firm registered under the Investment Advisers Act of 1940 or with the State Securities Board to provide for the investment and management of its public funds under its control. The contract period will be for a maximum of two years, and a renewal or extension of the contract must be made by the Board of Trustees by order, ordinance, or resolution.* The ~~Investment Officers will establish~~ criteria to evaluate Investment Advisors and Investor Providers, including *the following*:

- a) Adherence to South Texas College's policies and strategies,
- b) Investment performance and transaction pricing within accepted risk constraints,
- c) Responsiveness to South Texas College's requests for services, information and open communication,
- d) Understanding of the inherent fiduciary responsibility of investing public funds, and
- e) Similarity in philosophy and strategy with South Texas College's objectives.

Selected Investment Advisors and Investment Providers shall provide timely transaction confirmations and monthly activity reports.

Business organizations eligible to transact investment business with South Texas College shall be presented a written copy of this Investment Policy. Additionally, the *qualified representative* ~~registered principal~~ of the business organization, *as defined in the Act*, seeking to transact investment business shall execute a written instrument substantially to the effect that the *qualified representative* ~~registered principal~~ has:

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- 1) received and thoroughly reviewed this Investment Policy, and
- 2) acknowledged that the organization has implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between South Texas College and the organization that are not authorized by the College's Investment Policy, except to the extent that this authorization is dependent on an analysis of the makeup of the College's entire portfolio or requires an interpretation of subjective investment standards.

South Texas College shall not enter into an investment transaction with a business organization prior to receiving the written instrument described above.

The designated **Board of Trustees Investment Committee** of South Texas College shall, at least annually, review, revise, and adopt a list of qualified **Investment Providers** (brokers/**dealers/banks/pools**) that are authorized to engage in investment transactions with the College.

G. Responsibility and Controls

1. Authority to Invest

South Texas College's "Investment Officers" are the Vice President for Finance and Administrative Services, ~~the Associate Vice President for Financial Services~~, the Comptroller, and one of South Texas College's elected officials (selected by the Board of Trustees). Acting as a committee, the Investment Officers are authorized to deposit, withdraw, invest, transfer, execute documentation, and otherwise manage South Texas College's funds according to this Policy. The Investment Officers may authorize one Investment Officer to deposit, withdraw, or transfer funds out of or into an investment pool or money market mutual fund in order to meet daily operating needs of South Texas College.

The Board of Trustees' Finance and Human Resources Committee shall be the Investment Committee. The Investment Committee shall review the investment portfolio's status and performance, determine and implement appropriate portfolio adjustments, **review brokers/dealers/banks/pools and independent training sources**, oversee South Texas College's Investment Advisor, monitor compliance with the Investment Policy and Investment Strategy Statement, and perform other duties as necessary to manage South Texas College's funds.

Each member of the Board of Trustees and the Investment Officers shall attend at least one training session, relating to the person's responsibilities under the Act within six months after taking office or assuming duties. The Texas Higher Education Coordinating Board shall provide the training.

The Investment Officers shall receive not less than 10 hours of instruction within the first **twelve** ~~six~~ months after taking office or assuming duties. The investment officer shall prepare a report on any changes in the Public Funds Investment Act and deliver the report to the Board of Trustees not later than the 180th day after the last day of each regular session of the legislature.

The Investment Officers shall attend an investment training session not less than once each state fiscal biennium, and receive not less than 10 hours of instruction relating to investment responsibilities that

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addresses investment controls, security risks, strategy risks, market risks, diversification of investment portfolio and compliance with the Public Funds Investment Act. The investment training session shall be provided by the following approved training sources: the Texas Higher Education Coordinating Board, the Government Finance Officers Association of Texas, the Government Treasurers Organization of Texas, the Texas Municipal League, and the University of North Texas Center for Public Management.

2. Prudent Investment Management

The designated Investment Officers shall perform their duties in accordance with the adopted Investment Policy and internal procedures. In determining whether an Investment Officer has exercised prudence with respect to an investment decision, the investment of all funds over which the Investment Officer had responsibility, rather than the prudence of a single investment, shall be considered. Investment Officers acting in good faith and in accordance with these policies and procedures shall be relieved of personal liability.

3. Standard of Care

The standard of care used by the College shall be the “prudent investor rule” and shall be applied in the context of managing the overall portfolio within the applicable legal constraints. The Public Funds Investment Act states:

“Investments shall be made with judgment and care, under circumstances then prevailing, that a person of prudence, discretion, and intelligence would exercise in the management of the person’s own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived.”

4. Standard of Ethics and Conflicts of Interest

The designated Investment Officers shall act as custodians of the public trust avoiding any transaction which might involve a conflict of interest, the appearance of a conflict of interest, or any activity which might otherwise discourage public confidence. Investment Officers shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. If the Investment Officer has a personal business relationship with a business organization offering to engage in an investment transaction with South Texas College, the Investment Officer shall file a statement disclosing that personal business interest. If the Investment Officer is related within the second degree by affinity or consanguinity, as determined under Chapter 573 of the Texas Government Code, to an individual seeking to sell an investment to South Texas College, the Investment Officer shall file a statement disclosing that relationship as stated in the Public Funds Investment Act Chapter 2256.005 (i) (1-3). This disclosure statement must be filed with the Texas Ethics Commission and the Board of Trustees. An Investment Officer has a personal business relationship with a business organization if:

- a) the Investment Officer owns 10 percent or more of the voting stock or shares of the business organization or owns \$5,000 or more of the fair market value of the business organization;
- b) funds received by the Investment Officer from the business organization exceed 10 percent of the Investment Officer’s gross income for the previous year; or

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- c) the Investment Officer has acquired from the business organization during the previous year investments with a book value of \$2,500 or more for the personal account of the Investment Officer.

5. Establishment of Internal Controls

South Texas College's Investment Officers will maintain a system of internal controls over the investment activities of South Texas College.

South Texas College, in conjunction with its annual financial audit, shall perform a compliance audit of management controls on investments and adherence to South Texas College's Investment Policy and Investment Strategy Statement.

6. Reporting

Investment performance will be monitored and evaluated by the Investment Officers. The Investment Officers shall submit an investment report to the Board of Trustees and the President quarterly. This investment report shall:

- 1) describe in detail the investment position of South Texas College
- 2) be prepared jointly by all Investment Officers of the College
- 3) be signed by each Investment Officer of the College
- 4) contain a summary statement of each pooled fund group that states the:
 - a. beginning market value for the reporting period,
 - b. ending market value for the period and
 - c. fully accrued interest for the reporting period.
- 5) state the book value and market value of each separately invested asset at the end of the reporting period by the type of asset and fund type invested
- 6) state the maturity date of each separately invested asset that has a maturity date
- 7) state the account or fund or pooled group fund in the **College** ~~state agency or local government~~ for which each individual investment was acquired; and
- 8) state the compliance of the investment portfolio of the **College** ~~state agency or local government~~ as it relates to:
 - a) the investment strategy expressed in the **College's** ~~agency's or local government's~~ Investment Policy; and
 - b) relevant provisions of the Act.

7. Methods used to Monitor the Market Price of Acquired Investments

The methods/sources to be used to monitor the market price of investments that have been acquired with public funds shall be from sources deemed reliable by an Investment Advisor, brokers/dealers, the Wall Street Journal or other market pricing services. ~~will be used to monitor the market price of acquired investments.~~

MANUAL OF POLICY

Title	Investment Policy	5120
Legal Authority	Approval of the Board of Trustees	Page 13 of 13

8. Investment Transactions must be Settled on a Delivery Versus Payment Basis

Investment transactions will be settled on a delivery versus payment (DVP) basis with the exception of investment pools and mutual funds.

9. Review by Independent Auditor

In conjunction with its annual financial audit, the auditor shall perform a compliance audit of management controls on investments and adherence to the College's established Investment Policy. The results of the audit shall be reported to the College's Board of Trustees by the auditor.

If the College invests in other than money market mutual funds, investment pools or accounts offered by its depository bank in the form of certificates of deposit, or money market accounts or similar accounts, the reports prepared by the investment officers must be formally reviewed at least annually by an independent auditor, and the result of the review shall be reported to the Board of Trustees by the auditor.

10. Investment Policy Adoption

~~The College's Investment Policy shall be adopted annually by resolution of the College's Board of Trustees. The **Investment Policy and Investment Strategy** shall be reviewed annually by the Investment Advisory Committee and any modifications made thereto must be approved by the Board of Trustees. The Board of Trustees shall review its Investment Policy and investment strategies not less than annually. The Board shall adopt a written instrument by rule, order, ordinance, or resolution stating that it has reviewed the Investment Policy and Investment Strategy and that the written instrument so adopted shall record any changes made to either the Investment Policy or Investment Strategy.~~

INVESTMENT STRATEGY STATEMENT

Page 1

PREFACE

It is the policy of South Texas College that, giving due regard to the safety and risk of investment, all available funds shall be invested in conformance with State and Federal Regulations, applicable Bond Resolution requirements, adopted Investment Policy and adopted Investment Strategy.

In accordance with the Public Funds Investment Act, South Texas College's investment strategies shall address the following priorities (in order of importance):

- * Understanding of the suitability of the investment to the financial requirements of South Texas College,
- * Preservation and safety of principal,
- * Liquidity,
- * Marketability of the investment if the need arises to liquidate the investment prior to maturity,
- * Diversification of the investment portfolio, and
- * Yield

Effective investment strategy development coordinates the primary objectives of South Texas College's Investment Policy and cash management procedures to enhance interest earnings and reduce investment risk. Aggressive cash management will increase the available "investment period" and subsequently interest earnings. Maturity selections shall be based on cash flow and market conditions to take advantage of various interest rate cycles. South Texas College's portfolio shall be designed and managed in a manner responsive to the public trust and consistent with the Investment Policy.

Each major fund type has varying cash flow requirements and liquidity needs. Therefore specific strategies shall be implemented considering the fund's unique requirements. South Texas College's funds shall be analyzed and invested according to the following fund types:

- a) Unrestricted,
- b) Auxiliary,
- c) Restricted,
- d) Loan,
- e) Endowment,
- f) Agency,
- g) Funds for Renewal and Replacement,
- h) Unexpended Plant Funds, and
- i) Funds for Retirement of Indebtedness

INVESTMENT STRATEGY

In order to minimize risk of loss due to interest rate fluctuations, investment maturities will not exceed the anticipated cash flow requirements of the fund. Investment guidelines for all fund-types are as follows:

A. Funds

South Texas College's funds include:

- Unrestricted Fund
- Auxiliary Fund
- Restricted Fund
- Loan Fund
- Endowment Fund
- Agency Fund

INVESTMENT STRATEGY STATEMENT

Page 2

Funds for Renewal and Replacement
Unexpended Plant Funds
Funds for Retirement of Indebtedness

Suitability: Any investment eligible in the Investment Policy is suitable for the *all fund types* ~~Operating Funds, Construction and Unexpended Plant Funds and Funds for Retirement of Indebtedness.~~

Safety of Principal: All investments shall be of high quality securities with no perceived default risk. Market price fluctuations will occur. However by managing the weighted average days to maturity for *all fund types, except for Unexpended Plant Funds and Funds for Retirement of Indebtedness,* ~~the Operating Funds portfolio~~ to less than 270 days for all investments and restricting the maximum allowable maturity to two years for any one investment, the price volatility of the overall portfolio will be minimized. ~~Construction and Unexpended Plant Funds investment should be as per Section III E 2 b and Funds for Retirement of Indebtedness investment should be as per Section III E 2 c.~~

Marketability: Securities with active and efficient secondary markets are necessary in the event of an unanticipated cash requirement. Historical market “spreads” between the bid and offer prices of a particular security-type of less than a quarter of a percentage point shall define an efficient secondary market. ~~Construction and Unexpended Plant Funds investment should be as per Section III E 2 b and Funds for Retirement of Indebtedness investment should be as per Section III E 2 c.~~

Liquidity: ~~The Operating Funds~~ *All fund types, except for Unexpended Plant Funds and Funds for Retirement of Indebtedness* require the greatest short-term liquidity of any of the fund types. Short-term investment pools and money market mutual funds shall provide daily liquidity and may be utilized as a competitive yield alternative to fixed maturity investments.

Diversification: Investment maturities shall be staggered throughout the budget cycle to provide cash flow based on the anticipated operating needs of South Texas College. Market cycle risk will be reduced by diversifying the appropriate maturity structure out through two years.

Yield: Attaining a competitive market yield for comparable security-types and portfolio restrictions is the desired objective. The yield of an equally weighted, rolling three months Treasury bill portfolio shall be the minimum yield objective.

GLOSSARY OF COMMON TREASURY TERMINOLOGY

Page 1

Accrued Interest: The accumulated interest due on a bond as of the last interest payment made by the issuer.

Agency: A debt security issued by a federal or federally sponsored agency. General agencies are backed by the full faith and credit of the U.S. Government. Federally sponsored agencies (FSAs) are backed by each particular agency with a market perception that there is an implicit government guarantee. An example of federal agency is the Government National Mortgage Association (GNMA). An example of a FSA is the Federal National Mortgage Association (FNMA).

Asked: The price at which securities are offered.

Bankers' Acceptance (BA): A draft of bill or exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer.

Basis Point: A unit of measurement used in the valuation of fixed-income securities equal to 1/100 of a percent of yield. e.g., "1/4" of 1 percent is equal to 25 basis points.

Bid: The indicated price at which a buyer is willing to purchase a security or commodity.

Book Value: The value at which a security is carried on the inventory lists or other financial records of an investor. The book value may differ significantly from the security's current value in the market.

Broker: A broker brings buyers and sellers together for a commission paid by the initiator of the transaction or by both sides; he does not position. In the money market, brokers are active in markets in which banks buy and sell money and in inter-dealer markets.

Certificate of Deposit (CD): A time deposit with a specific maturity evidenced by a certificate. Large-denomination CD's are typically negotiable.

Collateral: Securities, evidence of deposit or other property that a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

Collateralization: Process by which a borrower pledges securities, property, or other deposits for the purpose of securing the repayment of a loan and/or security.

Commercial Paper: An unsecured short-term promissory note issued by corporations, with maturities ranging from 2 to 270 days.

Comprehensive Annual Financial Report (CAFR): The official annual report for the College includes the basic financial statements prepared in conformity with GAAP. It also includes supporting schedules necessary to demonstrate compliance with finance-related legal and contractual provisions, extensive introductory material, and a detailed statistical section.

Coupon Rate: (a) The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value. (b) A certificate attached to a bond evidencing interest due on a payment date.

Credit Quality: The measurement of the financial strength of a bond issuer. This measurement helps an investor to understand an issuer's ability to make timely interest payments and repay the loan principal upon maturity. Generally, the higher the credit quality of a bond issuer, the lower the interest rate paid by the issuer because the risk of default is lower. Credit quality ratings are provided by nationally recognized rating agencies.

Credit Risk: The risk to an investor that an issuer will default in the payment of interest and/or principal on a security.

GLOSSARY OF COMMON TREASURY TERMINOLOGY

Page 2

Current Yield (Current Return): A yield calculation determined by dividing the annual interest received on a security by the current market price of that security.

Dealer: A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account.

Debenture: A bond secured only by the general credit of the issuer.

Delivery versus Payment (DVP): There are two methods of delivery of securities: delivery versus payment and delivery versus receipt (DVR) (also called free). Delivery versus payment means delivery of securities with an exchange of money for the securities. Delivery versus receipt means delivery of securities with an exchange of a signed receipt for the securities.

Derivative Security: Financial instrument created from, or whose value depends upon, one or more underlying assets or indexes of asset values.

Discount: The difference between the cost price of a security and its value at maturity when quoted at lower than face value. A security selling below original offering price shortly after sale also is considered to be at a discount.

Discount Securities: Non-interest bearing money market instruments that are issued at a discount and redeemed at maturity for full face value, for example, U.S. Treasury bills.

Diversification: Dividing investment funds among a variety of securities offering independent returns.

Fair Value: The amount at which an investment could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Federal Credit Agencies: Agencies of the Federal government set up to supply credit to various classes of institutions and individuals, for example, S & L's, small business firms, students, farmers, farm cooperatives, and exporters.

Federal Deposit Insurance Corporation (FDIC): A federal agency that insures bank deposits.

Federal Funds (Fed Funds): Funds placed in Federal Reserve banks by depository institutions in excess of current reserve requirements. These depository institutions may lend fed funds to each other overnight or on a longer basis. They may also transfer funds among each other on a same-day basis through the Federal Reserve banking system. Fed funds are considered to be immediately available funds.

Federal Funds Rate (the Fed Rate): The rate of interest at which Federal funds are traded. This rate is currently pegged by the Federal Reserve through open-market operations.

Federal Home Loan Banks (FHLB): The institutions that regulate and lend to savings and loan associations. The Federal Home Loan Banks play a role analogous to that played by the Federal Reserve Banks in relation to member commercial banks.

Federal National Mortgage Association (FNMA or Fannie Mae): FNMA, like GNMA, was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a federal corporation working under the auspices of the Department of Housing and Urban Development, H.U.D. It is the largest single provider of residential mortgage funds in the United States. Fannie Mae is a private stockholder-owned corporation. The corporation's purchases include a variety of adjustable mortgages and secondary loans in addition to fixed-rate mortgages. FNMA's securities are highly liquid and

GLOSSARY OF COMMON TREASURY TERMINOLOGY

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widely accepted. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.

Federal Open Market Committee (FOMC): Consists of seven members of the Federal Reserve Board and five of the twelve Federal Reserve Bank Presidents. The president of the New York Federal Reserve Bank is a permanent member while the other presidents serve on a rotating basis. The Committee periodically meets to set Federal Reserve guidelines regarding purchases and sales of government securities in the open-market as a means of influencing the volume of bank credit and money.

Federal Reserve System: The central bank of the United States created by Congress and consisting of a seven member Board of Governors in Washington, D.C., twelve (12) regional banks, and about 5,700 commercial banks that are members of the system.

Government National Mortgage Association (GNMA or Ginnie Mae): Securities guaranteed by GNMA and issued by mortgage bankers, commercial banks, savings and loan associations, and other institutions. The security holder is protected by the full faith and credit of the U.S. Government. Ginnie Mae securities are backed by FHA, VA, or FMHM mortgages. The term pass-through is often used to describe Ginnie Mae.

Interest Rate Risk: The risk associated with declines or rises in interest rates which cause an investment in a fixed-income security to increase or decrease in value.

Internal Control: An internal control structure designated to ensure that the assets of the entity are protected from loss, theft, or misuse. The internal control structure is designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognized that 1) the cost of a control should not exceed the benefits likely to be derived and 2) the valuation of costs and benefits requires estimates and judgments by management. Internal controls should address the following points:

Control of collusion – Collusion is a situation where two or more employees are working in conjunction to defraud their employer.

Separation of transaction authority from accounting and record keeping – By separating the person who authorizes or performs the transaction from the people who record or otherwise account for the transaction a separation of duties is achieved.

Custodial safekeeping – Securities purchased from any bank or dealer including appropriate collateral (as defined by state law) shall be placed with an independent third party for custodial safekeeping.

Investment Policy: A concise and clear statement of the objectives and parameters formulated by an investor or investment manager for a portfolio of investment securities.

Letter of Credit: A letter issued by a bank authorizing the bearer to draw a stated amount of money from the issuing bank, its branches, or other associated banks or agencies.

Liquidity: A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable quantities can be purchased at those quotes.

Local Government Investment Pool (LGIP): The aggregate of all funds from political subdivisions that are placed in the custody of the State Treasurer for investment and reinvestment.

Market Risk: The risk that the value of a security will rise or decline as a result of changes in market conditions.

Market Value: The price at which a security is trading and could presumably be purchased or sold.

GLOSSARY OF COMMON TREASURY TERMINOLOGY

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Master Repurchase Agreement: To protect investors, many public investors will request that repurchase agreements be preceded by a master repurchase agreement between the investor and the financial institution or dealer. The master agreement should define the nature of the transaction, identify the relationship between the parties, establish normal practices regarding ownership and custody of the collateral securities during the term of the investment, provide remedies in the case of default by either party, and clarify issues of ownership. The master repurchase agreement protects the investors to liquidate collateral if a bank or dealer defaults during the term of the agreement.

Maturity: The date at which the principal or stated value of an investment becomes due and payable.

Money Market: The market in which short-term debt instruments (bills, commercial paper, bankers' acceptances, etc.) are issued and traded.

Money Market Mutual Fund: Mutual funds that invest solely in money market instruments.

Mutual Fund: An investment company that pools money and can invest in a variety of securities, including fixed-income securities and money market instruments. Mutual funds are regulated by the Investment Company Act of 1940.

National Association of Securities Dealers (NASD): A self-regulatory organization (SRO) of brokers and dealers in the over-the-counter securities business. Its regulatory mandate includes authority over firms that distribute mutual fund shares as well as other securities.

Net Asset Value: The market value of one share of an investment company, such as a mutual fund. This figure is calculated by totaling a fund's assets which includes securities, cash, and any accrued earnings, subtracting this from the fund's liabilities, and dividing this total by the number of shares outstanding. This is calculated once a day based on the closing price for each security in the fund's portfolio.

No Load Mutual Fund: A mutual fund which does not levy a sales charge on the purchase of its shares.

Nominal Yield: The stated rate of interest that a bond pays its current owner, based on par value of the security. It is also known as the "coupon, coupon rate, or interest rate".

Offer: The price asked by a seller of securities. (When you are buying securities, you ask for an offer.) See Asked and Bid.

Open Market Operations: Purchases and sales of government and certain other securities in the open market by the New York Federal Reserve Bank as directed by the FOMC in order to influence the volume of money and credit in the economy. Purchases inject reserves into the bank system and stimulate growth of money and credit; sales have the opposite effect. Open market operations are the Federal Reserve's most important and most flexible monetary policy tool.

Par: Face value or principal value of a bond, typically \$1,000 per bond.

Portfolio: Collection of securities held by an investor.

Positive Yield Curve: A chart formation that illustrates short-term securities having lower yields than long-term securities.

Premium: The amount by which the price paid for a security exceeds the security's par value.

GLOSSARY OF COMMON TREASURY TERMINOLOGY

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Prime Rate: A preferred interest rate charged by commercial banks to their most creditworthy customers. Many interest rates are keyed to this rate.

Primary Dealer: A primary dealer is made up of a group of government securities dealers that submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SEC) registered securities broker-dealers, banks and a few unregulated firms.

Principal: The face value or par value of a debt instrument. Also may refer to the amount of capital invested in a given security.

Prospectus: A legal document that must be provided to any prospective purchaser of a new securities offering registered with the SEC. This can include information on the issuer, the issuer's business, the proposed use of proceeds, the experience of the issuer's management, and certain certified financial statement.

Prudent Person Rule: An investment standard. Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

Qualified Public Depositories: A financial institution that does not claim exemption from the payment of any sales or compensating use or ad valorem taxes under the laws of this state, and that has segregated for the benefit of the Public Deposit Protection Commission eligible collateral having a value of not less than its maximum liability and which has been approved by the commission to hold public deposits.

Rate of Return: The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond or the current income return.

Repurchase Agreement (RP or REPO): A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date. The security "buyer" in effect lends the "seller" money for the period of the agreement, and the terms of the agreement are structured to compensate him for this. Dealers used RP extensively to finance their positions. Exception: When the Fed is said to be doing RP, it is lending money to increase bank reserves.

Safekeeping: A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank's vaults for protection.

SEC Rule 15C3-1: See uniform Net Capital Rule.

Secondary Market: A market made for the purchase and sale of outstanding issues following the initial distribution.

Securities & Exchange Commission (SEC): Agency created by Congress to protect investors in securities transactions by administering securities legislation.

Securities & Exchange Commission (SEC) Structured Notes: Notes issued by Government Sponsored Enterprises (FHLB, FNMA, SLMA, etc.) and Corporations which have imbedded options (e.g., call features, step-up coupons, floating rate coupons, derivative-based returns) into their debt structure. Their market performance is impacted by the fluctuation of interest rates, the volatility of the imbedded options and shifts in the shape of the yield curve.

Serial Bond: A bond issue, usually of a municipality, with various maturity dates scheduled at regular intervals until the entire issue is retired.

GLOSSARY OF COMMON TREASURY TERMINOLOGY

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Sinking Fund: Money accumulated on a regular basis in a separate custodial account that is used to redeem debt securities or preferred stock issues.

Swap: Trading one asset for another.

Term Bond: Bonds comprising a large part of all or a particular issue which come due in a single maturity. The issuer usually agrees to make periodic payments into a sinking fund for mandatory redemption of term bonds before maturity.

Total Return: The sum of all investment income plus changes in the capital value of the portfolio. For mutual funds, return on an investment is composed of share price appreciation plus any realized dividends or capital gains. This is calculated by taking the following components during a certain time period. (Price Appreciation) + (Dividends paid) + (Capital gains) = Total Return.

Treasury Bills (T Bills): A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months, or one year.

Treasury Bond: Long-term U.S. Treasury securities having initial maturities of more than ten years.

Treasury Notes: Intermediate-term, coupon-bearing U.S. Treasury securities having initial maturities from one to ten years.

Uniform Net Capital Rule: Securities and Exchange Commission requirement that member firms as well as nonmember broker-dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called net capital rule and net capital ratio. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities. This is one reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash.

Volatility: A degree of fluctuation in the price and valuation of securities.

Yield: The rate of annual income return on an investment, expressed as a percentage. (a) Income Yield is obtained by dividing the current dollar income by the current market price of the security. (b) Net Yield or Yield to Maturity is the current income yield minus any premium above par.

Yield-to-maturity: The rate of return yielded by a debt security held to maturity when both interest payments and the investor's potential capital gain or loss are included in the calculation of return.

Review and Action as Necessary on Annual Investment Report

Approval of the Annual Investment Report for FY 2013-2014 is requested.

The Annual Investment Report for FY 2013–2014 follows in the packet for the Board's information and review. Also included is the Annual Investment Report prepared for the State Auditor's Office.

As required, all College funds are deposited at the College's Depository, BBVA Compass Bank, in public funds interest checking accounts or certificates of deposit. The attached report reflects the total interest earned during the fiscal year and the unaudited reconciled balance of each account at August 31, 2014.

At August 31, 2014, the College had a total amount of \$240,790,545.44 in bank deposits, in seven (7) public funds interest checking accounts totaling \$76,182,904.75, and seven (7) certificates of deposit totaling \$164,607,640.69. In addition, the College held an endowment investment in the form of a coin collection valued at \$5,589.70 and maintained change funds available for cashiering purposes in the amount of \$8,950.00. As of August 31, 2014, the investments and cash on hand totaled \$240,805,085.14.

Total interest revenue earned on public funds interest checking accounts and certificates of deposit during FY 2013-2014 totaled \$214,914.66.

All the College's funds were properly collateralized during the fiscal year.

The Finance and Human Resources Committee recommended Board approval of the Annual Investment Report for FY 2013-2014, as presented.

Recommendation:

It is recommended that the Board of Trustees of South Texas College approve and authorize the Annual Investment Report for FY 2013-2014, as presented.

The following Minute Order is proposed for consideration by the Board of Trustees:

The Board of Trustees of South Texas College approves and authorizes the Annual Investment Report for FY 2013-2014, as presented.

Approval Recommended:

Shirley A. Reed, M.B.A., Ed.D.
President

South Texas College

Annual Investment Report - Fiscal Year 2013 - 2014 - Unaudited
Interest Checking (Chkg) Accounts and Certificates of Deposit (CD) Accounts
As of August 31, 2014

Operating (Unrestricted Fund, Auxiliary Fund,
Restricted Fund, Agency Fund, Endowment Fund,
Payroll, Federal Draw Down and Student)

No.	Certificate of Deposit (CD) or Interest Checking (Chkg)	Bank Acct. No.	Interest Revenue	Reconciled Bank Balance
1	Chkg - Operating	51015560	\$ 17,413.47	\$ 47,878,051.20
2	CD - Operating	6721404763	79,919.01	69,180,513.98
3	CD - Operating #1	6721402728	24,971.31	30,494,329.34
4	CD - Operating #2	6720461747	43,582.26	0.00
5	CD - Endowment - Alfredo De Los Santos	6721406103	17.40	15,107.49
6	CD - Endowment - Futuro Brillante	6721402310	231.36	200,199.25
7	CD - Endowment - Glen & Rita Roney	6721403899	134.93	116,757.88
8	Chkg - Payroll	51025558	319.26	30,919.89
9	Chkg - Federal Draw Down	51015544	159.75	0.00
10	Chkg - Student	41376536	752.44	822,883.56
	Total		\$ 167,501.19	\$ 148,738,762.59

Unexpended Plant Fund - Non Bond
Transfers from Unrestricted

No.	Certificate of Deposit (CD) or Interest Checking (Chkg)	Bank Acct. No.	Interest Revenue	Reconciled Bank Balance
11	CD - Construction - E&G Transfer	6721403309	\$ 11,075.01	\$ 9,586,898.15
12	CD - Construction - E&G Transfer #1	6720462328	3,624.77	-
13	Chkg - Construction - E&G Transfer	51067625	2,446.25	7,208,141.37
	Total		\$ 17,146.03	\$ 16,795,039.52

Unexpended Plant Fund - Bond
Bonds Series 2014

No.	Certificate of Deposit (CD) or Interest Checking (Chkg)	Bank Acct. No.	Interest Revenue	Reconciled Bank Balance
14	CD - Construction - LT Bonds Series 2014	6721394822	\$ 16,094.55	\$ 55,013,834.60
15	Chkg - Construction - LT Bonds Series 2014	6720987978	1,735.23	4,916,523.44
	Total		\$ 17,829.78	\$ 59,930,358.04

Retirement of Indebtedness - Plant Fund
Bond 1996, 2002, 2003, 2004, 2007, 2010 & 2013 - Interest & Sinking (I&S)
Bond 1999 & 2007 - Interest & Sinking (I&S)

No.	Certificate of Deposit (CD) or Interest Checking (Chkg)	Bank Acct. No.	Interest Revenue	Reconciled Bank Balance
16	Chkg I&S - Bond 1999 & 2007	51060671	\$ 12.84	\$ 465.10
17	Chkg I&S - Bond 1996, 2002, 2003, 2004, 2007, 2010 & 2013	51029782	9,397.41	15,325,920.19
18	CD - Interest and Sinking	6716251517	3,027.41	0.00
	Total		\$ 12,437.66	\$ 15,326,385.29

Grand Total
Total Reconciled Bank & General Ledger Balances

\$ 214,914.66	\$ 240,790,545.44
	\$ 240,790,545.44

19 Miscellaneous Coins \$ 5,589.70
20 Cash on hand 8,950.00

Total Investments and Cash on hand

\$ 240,805,085.14

South Texas College
Annual Investment Report (Including Deposits)

August 31, 2014
Market Value

Investment or Deposit Type

Publicly Traded Equity and Similar Investments	
Common Stock (U.S. and foreign stocks held in separately managed accounts or internally managed by institution investment staff; exclude mutual or commingled funds)	
Equity/Stock Mutual Funds	
Balanced Mutual Funds (where target allocation is > 50% equities)	
"Commonfund" Equity Commingled Funds	
Other Equity Commingled Funds (if primarily invested in publicly traded equities)	
Preferred Stock	
Other - list by type	
Total Publicly Traded Equity and Similar Investments	0.00

"Other" Investments - Other than Publicly Traded Equity and Debt Investments	
Real Estate (include direct ownership & investments in real estate limited partnerships, private REITs, or similar vehicles; include a portfolio of publicly traded REITs if managed as a separate asset allocation category rather than comprising part of a broadly diversified stock portfolio)	
Other Real Asset Investments (e.g. investments in infrastructure funds)	
Private Equity	
Hedge Funds	
"Commonfund" Alternative Asset Commingled Funds (Real Estate, Private Equity, Hedge Funds, Commodities, etc.)	
Annuities	
Commodities	
Collectibles	
Other - Miscellaneous Coins	
Total "Other" Investments - Other than Publicly Traded Equity & Debt Investments	5,589.70

Publicly Traded Debt & Similar Investments >1 year maturity	
U.S. Government Securities ("Treasuries")	
U.S. Government Agency Securities ("Agencies")	
Mortgage Pass-Throughs - "Agency"	
Mortgage Pass-Throughs - "Private Label"	
Asset-Backed Securities (ABS) (other than mortgage-backed securities)	
Sovereign Debt (non-U.S.)	
Municipal Obligations	
Collateralized Mortgage Obligations (CMOs) - list below by category	
Interest Only Strips (IOs)	
Principal Only Strips (POs)	
Inverse Floaters	
Stated Final Maturity longer than 10 years	
Other CMOs - "Agency"	
Other CMOs - "Private Label"	
Corporate Obligations (U.S. or foreign companies) - list below by rating	
Highly Rated (AAA/AA or equivalent)	
Other Investment Grade (A/BBB or equivalent)	
High Yield Bonds (<BBB or equivalent)	
Not Rated (NR)	
Fixed Income/Bond Mutual Funds (longer term; registered with the SEC)	
Balanced Mutual Funds (where target allocation is > 50% bonds or other debt securities)	
"Commonfund" Fixed Income/Bond Commingled Funds	

**South Texas College
Annual Investment Report (Including Deposits)**

August 31, 2014
Market Value

Investment or Deposit Type

Other Fixed Income/Bond Commingled Funds (primarily invested in publicly traded debt securities; not registered with the SEC)

GICs (Guaranteed Investment Contracts)

Other - list by type

Total Publicly Traded Debt & Similar Investments >1 year 0.00

Short-Term Investments & Deposits

U.S. Government Securities ("Treasuries")

U.S. Government Agency Securities ("Agencies")

Bankers' Acceptances

Commercial Paper - A1/P1 (or equivalent)

Other Commercial Paper - lower rated

Repurchase Agreements (Repos)

Money Market Mutual Funds (registered with the SEC)

Short-Term Mutual Funds Other than Money Market Mutual Funds (registered with the SEC)

Public Funds Investment Pool Created to Function as a Money Market Mutual Fund (not registered w/ SEC but "2a7-like")

 TexPool (and TexPool Prime)

 Other Public Funds Investment Pools Functioning as Money Market Mutual Funds

Other Investment Pools - Short-Term (not created to function as a money market mutual fund)

Certificates of Deposit (CD) - Nonnegotiable 164,607,640.69

Certificates of Deposit (CD) - Negotiable

Bank Deposits 76,182,904.75

Cash Held at State Treasury

Securities Lending Collateral Reinvestments (direct investments or share of pooled collateral)

Other - Cash on hand 8,950.00

Total Short-Term Investments & Deposits 240,799,495.44

TOTAL INVESTMENTS and DEPOSITS 240,805,085.14

Update on 2013 Bond Construction Program

Mr. Gilbert Gallegos with Broaddus & Associates has provided the following update to keep the Board informed of the current status of the 2013 Bond Construction Program.

Facilities Space Programs (Building Interior Spaces)

- B&A is working with STC to update the facilities space programs for the future libraries
- Current facilities space programs have been forwarded to B&A for their review, recommendations, and use to begin work on Bond Construction Program
- All of Space Data has now been converted to Macro BIM in three dimensional format for hand off to architectural firms and start of schematic design

Facilities Design Standards and Guidelines

- FPC has updated building standards and been forwarded to B&A for review
- Goal is to have these standards complete for start of Architectural design process

Solicitation of Architectural and Engineering Firms

- Board of Trustees identified most highly qualified Architectural Design Teams and distribution of Construction Bond Program projects on September 23, 2014 and authorized Broaddus & Associates and STC Staff to commence negotiation process
- A/E draft agreement has been approved by Board for inclusion in negotiations
- Fee Schedule - STC's currently approved A/E fee schedule has been re-evaluated by B&A and recommended schedule was approved by Board of Trustees. This will be used as basis for commencing fee negotiations as a not to exceed amount.

Solicitation of Engineering Firms

- RFQ's for Civil Engineering (CE)/Surveying Services and for Mechanical Engineering Plumbing (MEP) Engineering Services was approved by Board in August; these services will be required for design of Thermal Energy Plants and Parking and Site Improvements
- The schedule for solicitation and evaluation of MEP and CE qualifications is as follows:
 - Advertised on September 2, 2014 and September 9, 2014; a pre-qualifications conference was held at 2:00 PM on September 11, 2014 at the Cooper Center
 - Engineering firms submitted qualifications on Friday, September 19, 2014
 - Seventeen Firms submitted for Civil Engineering Services
 - Nine Firms submitted for MEP Engineering Services for Thermal Energy Plants
 - Evaluation results will be presented to the Board Facilities Committee in October 2014. It was determined that due to the amount of interest in both of these solicitations that the recommendations forwarded to Board will be broken into two separate and distinct packages. MEP Engineering recommendation will be made October 14, 2014 and CE at November 20, 2014 Board meeting.

Look Ahead

- Program Confirmation Complete (except for Library requirements)
 - Design Standards and Guidelines Review
 - Macro BIM Start-up
- Confirm Project Priorities as negotiations are taking place
- Baseline Master Program Schedule is complete and will be updated as the Architects' contracts are negotiated
- A/E negotiations in progress
- Construction Managers at Risk presentation and project distribution will take place on October 14, 2014
- Construction Manager at Risk Solicitation Documents are complete in draft including all supporting information such as agreement, submission forms, etc.
- AV/Telecommunication Consultant proposal has been and is currently under review
- Owner In-site project management software set-up and training in progress
- Responsibility Matrix to be presented at the November 13, 2014 Facilities Committee Meeting
 - Delegation
 - Board Expectations
 - Establish Communication Protocol/Reporting
 - Board
 - Staff
 - Internal
- Total Project Budget Confirmation in progress
- Future Presentations
 - Volume Procurement

This item is provided for the Board's information and review, and feedback to staff and to Broaddus & Associates, serving as the Construction Program Management firm for the 2013 Bond Construction Program. No action is requested.

Review and Action as Necessary on the Issuance of Final Demand Letter for Hail Damage Insurance Claims

Staff has tendered to Chubb Insurance responses to all of Chubb's requests for clarifications and additional information supporting STC's claim for damages resulting from the March 2012 hail storm.

The following chart contains a breakdown of the total costs for repairs including the repairs caused by the hail storm and additional owner requested repairs. Also, included is the amount currently received from Chubb and STC's deductible. As of August 5, 2014 Chubb has confirmed receipt of all STC's final documentation and has indicated that additional expenses in the amount of \$427,401.35 may be paid if adequate supporting documentation is provided. If these additional expenses are covered, an amount of \$2,279,028.53 may remain as a potential disputed amount. If the additional amount is not paid, the remaining disputed amount will remain at \$2,706,429.88.

The total hail damage repair costs may be summarized as follows:

Summary of Hail Storm Damage Insurance Claims	
Total Hail Damage Repair Costs	\$8,010,314.14
Less: Owner Requested Repairs	332,688.26
Net Hail Damage Repair Costs	7,677,625.88
Less: Deductible	1,698,382.63
Less: Insurance Payments Received	3,272,813.37
Difference – Pending Claims	\$2,706,429.88

Note: Table does not include the additional pending payment amount of \$427,401.35 from Chubb

STC legal counsel has previously received an agreement from Chubb that it would waive any statute of limitations claim until a formal response to STC's figures has been provided. The final figures are contained herein and legal counsel seeks a formal demand to Chubb from the College.

The Board is asked to approve and authorize Legal Counsel to issue a demand letter to Chubb Insurance. Legal Counsel provided a letter, as a confidential document under separate cover, for review and recommendation for Board approval. The demand letter will be sent to Chubb after Board approval.

The Facilities Committee recommended Board approval for Legal Counsel to proceed with the demand letter as presented.

Recommendation:

It is recommended that the Board of Trustees of South Texas College approve and authorize Legal Counsel to proceed with the demand letter as presented.

The following Minute Order is proposed for consideration by the Board of Trustees:

The Board of Trustees of South Texas College approves and authorizes Legal Counsel to proceed with the demand letter as presented.

Approval Recommended:

Shirley A. Reed, M.B.A., Ed.D.

President

Review and Action as Necessary on Construction Manager-At-Risk Construction Procurement Method for the 2013 Bond Construction Program

Approval of the Construction Manager-At-Risk Construction Procurement Method for the 2013 Bond Construction Program is requested.

Dr. Jim Broaddus with Broaddus & Associates presented at the October 14, 2014 Board Facilities Committee meeting, providing a presentation on the construction procurement methods available to STC and a recommendation on the use of the Construction Manager-At-Risk (CM@R) method. The presentation reviewed the pros and cons of each method and some detail on why the CM@R was recommended for STC's Bond Construction Program.

It is proposed that the CM@R method be used for all Bond Construction projects except for La Joya Jimmy Carter Teaching Site Improvements. Attached is a copy of the presentation delivered to the Facilities Committee by Broaddus & Associates.

The Facilities Committee recommended Board approval of the use of the Construction Manager-At-Risk Construction Procurement Method for the 2013 Bond Construction Program as presented.

Recommendation:

It is recommended that the Board of Trustees of South Texas College approve and authorize the use of the Construction Manager-At-Risk Construction Procurement Method for the 2013 Bond Construction Program as presented.

The following Minute Order is proposed for consideration by the Board of Trustees:

The Board of Trustees of South Texas College approves and authorizes the use of the Construction Manager-At-Risk Construction Procurement Method for the 2013 Bond Construction Program as presented.

Approval Recommended:

Shirley A. Reed, M.B.A., Ed.D.
President

STC BOND PROGRAM PROJECT DELIVERY OPTIONS

James A. Broaddus Ph.D., P.E.

October 15, 2014

**BROADDUS
& ASSOCIATES**
INNOVATIVE PROJECT MANAGEMENT AND PLANNING



AGENDA

- Background/History
- Delivery Types:
 - Competitive Bidding (Low Bid)
 - Competitive Sealed Proposals
 - Construction Manager at Risk
 - Design-Build
- Pros/Cons/Issues
- Research
- STC Experience
- Q&A

ALTERNATE PROJECT DELIVERY

- Broaddus involved in drafting 1997 legislation allowing construction to move from low bid to a menu of options
- UT System was early implementer of CSP/DB/CM@Risk
- It is more than understanding the procurement laws –
 - *Owner implementation is the key!!*
- Key to Success is a Knowledgeable Owner PM
- Key implementation issues:
 - Selecting the right firms - the real differentiators
 - Using a fair owner-oriented contract
 - Negotiating not just accepting costs proposed
 - Effective pre-construction services
 - Early cost predictability leading to the GMP
 - Managing General Conditions & Self-performed Work
 - Contingency exposure, control, & management
 - Knowing how to get the DB's/CM's to perform

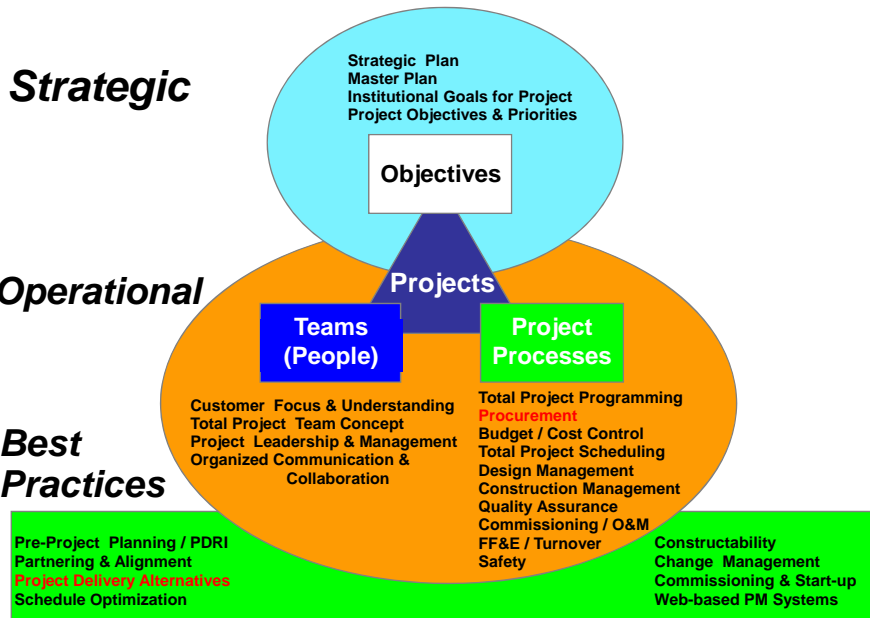
BROADDUS EXPERIENCE WITH PROJECT DELIVERY METHODS

- Programs/Projects Managed - \$7B in value
- Delivery Methods
 - Competitive Bid - 59
 - Competitive Sealed Proposal - 30
 - Construction Manager-at-Risk - 95
 - Design-Build - 26

1.0 PROJECT SUCCESS FACTORS & PM BEST PRACTICES

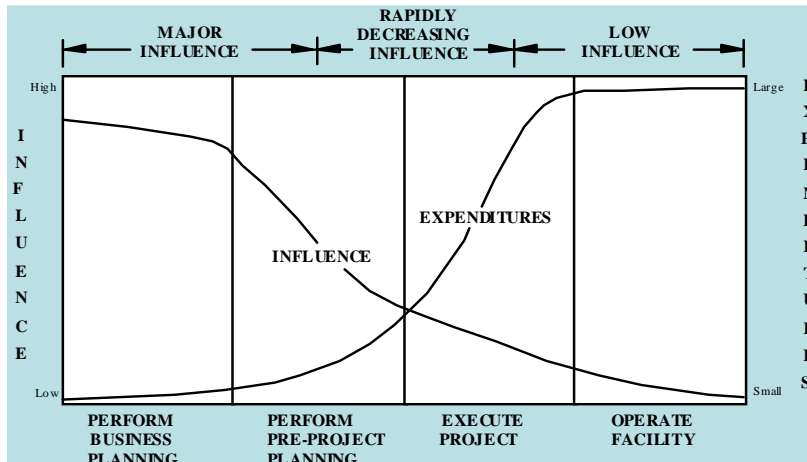


ELEMENTS OF PROJECT SUCCESS



INFLUENCE VS. EXPENDITURE CURVES

Entire Team on-board early allows best opportunity to achieve objectives



2.0 INTRODUCTION TO PROJECT DELIVERY SYSTEMS

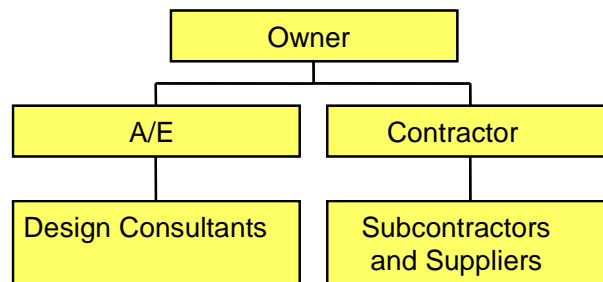
BROADDUS & ASSOCIATES
Innovative Project Management and Planning



PROJECT DELIVERY SYSTEMS

Design-Bid-Build

- A/E prepared plans and specifications
- Low dollar bid from general contractor
- Separate contracts from owner for design and construction



LOW BID DOES VS. BEST VALUE

"It's unwise to pay too much, but it's worse to pay too little.

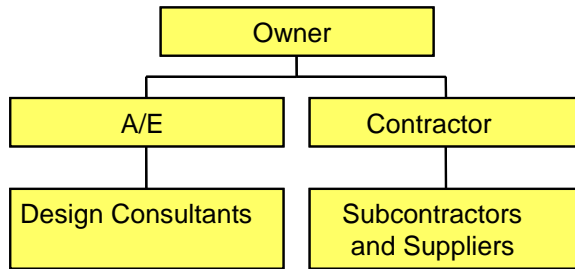
*When you pay too much, you lose a little money.
When you pay too little, you sometimes lose everything because the thing you bought was incapable of doing what it was bought to do."*

*Antonio Vega Ph.D. Professor of Economics
George Mason University*

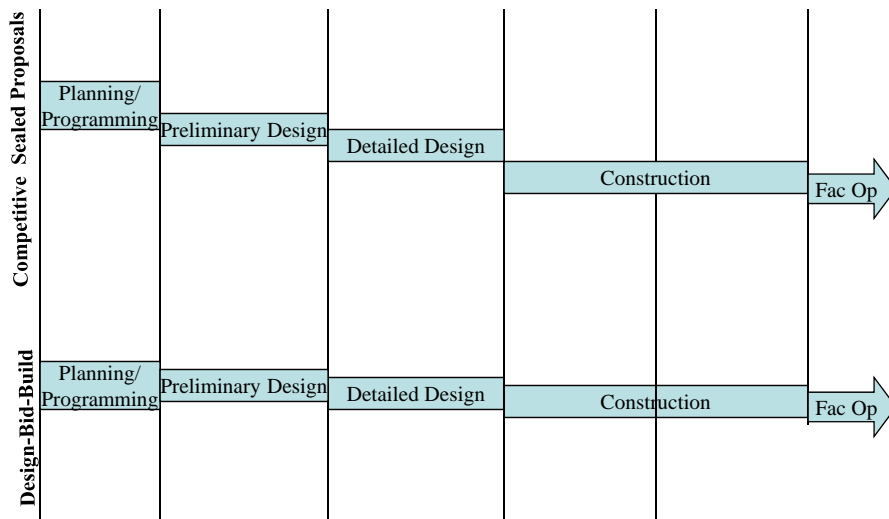
PROJECT DELIVERY SYSTEMS

- Competitive Sealed Proposals

- Architect prepares plans and specifications
- General contractor selected on price and other factors after design complete
- Separate contracts for design and construction



CSP - DBB COMPARISON

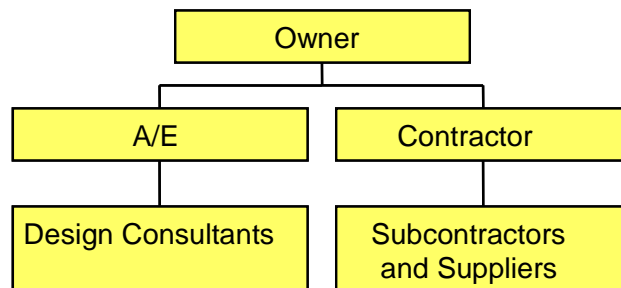


COMPETITIVE SEALED PROPOSALS

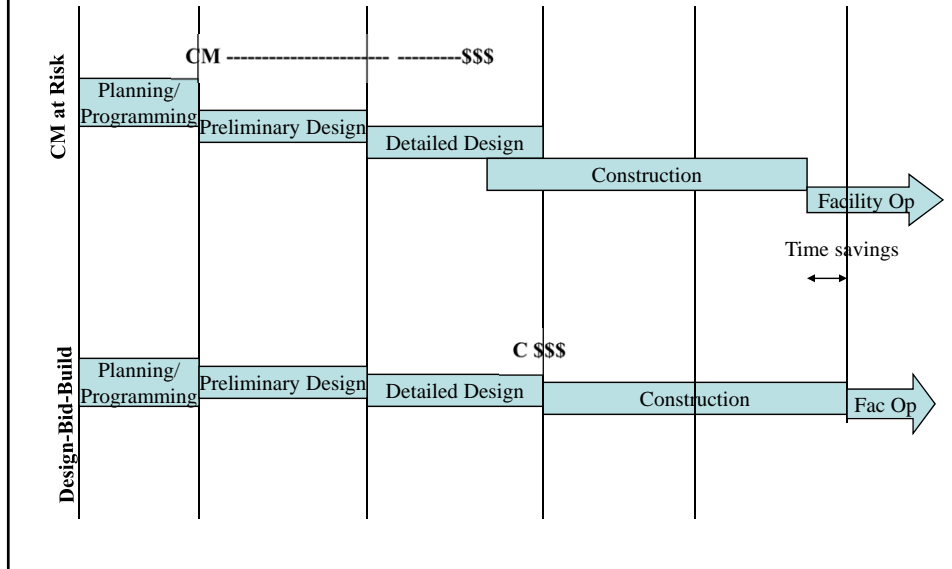
- Advantages
 - Architect selected based on Qualifications
 - Contractor selection considers qualifications/capabilities
 - Best value is selected rather than low bid
 - Negotiation with best value proposer possible
 - Allows contracting with highly qualified firm
- Disadvantages
 - More complex selection process
 - No contractor input during design
 - CSP slower than CM(at Risk) & Design-Build
 - Subcontractor selection not an open process as in CM-R & DB
- Relationship less adversarial than DBB but more adversarial than CM(R) or Design-Build

PROJECT DELIVERY SYSTEMS

- Construction Management at Risk
 - CM at Risk selected at same time as Architect
 - CM at Risk provides input to design
 - CM at Risk guarantees maximum price near end of design phase

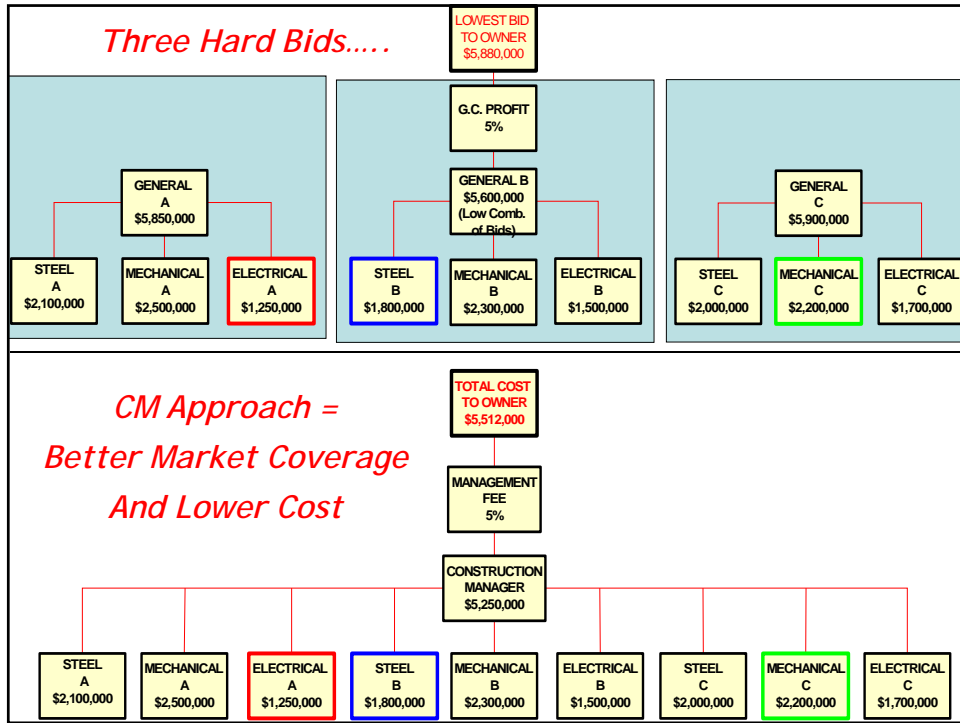


CM AT RISK - DBB COMPARISON



CONSTRUCTION MANAGEMENT

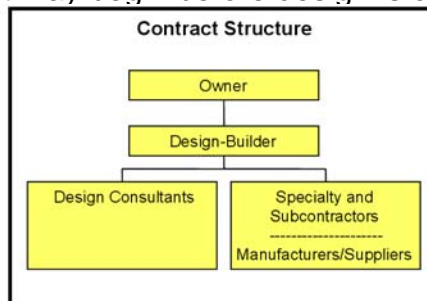
- Advantages
 - More professional relationship with contractor
 - Earlier knowledge of costs
 - Earlier involvement of contractor possible
 - Two contract system is less change for owner
 - Project delivery faster than traditional
 - Maximize Local Participation
 - Cost Plus Contract savings back to Owner
 - Fast project delivery system
 - Delivers high quality
- Disadvantages
 - Disagreements go through owner
 - Parties may still have different agendas/objectives
 - Contractor input may not be included by designer
 - Project delivery can be slower than Design-Build



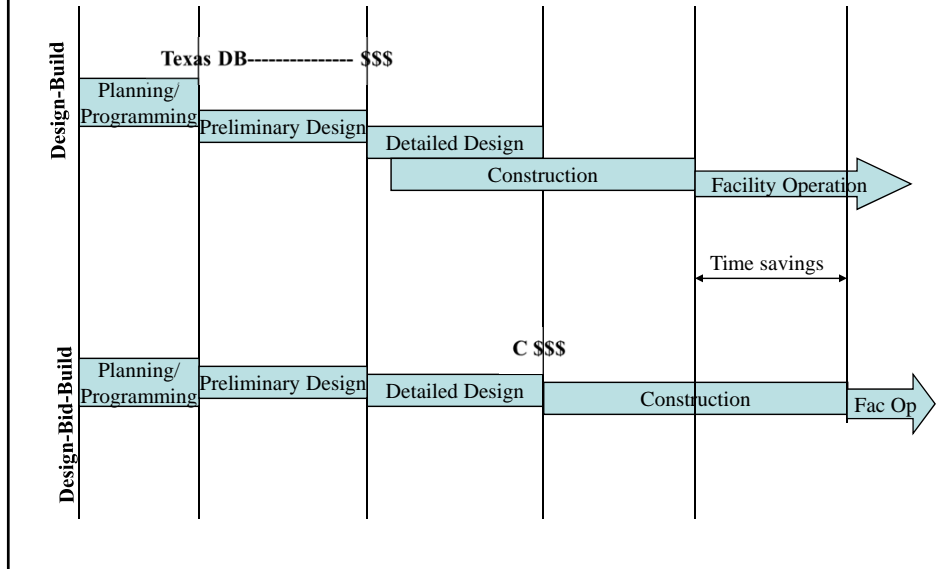
PROJECT DELIVERY SYSTEMS

III. Design-Build

- Design and construction under a single contract
- Project may begin before design is complete



DB - DBB COMPARISON



DESIGN-BUILD

- Advantages
 - Single point of responsibility for owner
 - One RFQ/RFP required vs. two for other systems
 - More professional relationship with contractor
 - A/E and contractor on the same team providing unified recommendations to owner
 - Earliest knowledge of firm costs
 - Allows clearest definition of risks
 - Least claims and litigation
 - Fast project delivery system
 - Delivers high quality
- Disadvantages
 - Must be decided on early in project
 - Owners pushed for earlier and timely decisions
 - New learning curve for owners
 - Different process in front end of project
 - Resistance among those not familiar with approach

3.0 PROJECT PERFORMANCE RESEARCH

**BROADDUS
& ASSOCIATES**
INNOVATIVE PROJECT MANAGEMENT AND PLANNING



CONSTRUCTION INDUSTRY INSTITUTE STUDY

- 351 Projects
- 5K to 2.5M SF
- Various types / Industry sectors
- Compared performance between DBB, CM@R, & DB
- Performance evaluated Cost, Schedule, Quality areas

**UNIVERSITY OF TEXAS
CONSTRUCTION INDUSTRY INSTITUTE
RESEARCH ON PROJECT DELIVERY**

<i>Project Performance Measurement</i>	<i>CM@Risk vs. Design-Bid-Build</i>	<i>Design-Build vs. Design-Bid-Build</i>	<i>Design-Build vs. CM@Risk</i>	<i>Level of Certainty</i>
Unit Cost	1.6% lower	6.1% lower	4.5% lower	99%
Construction Duration	5.8% faster	12.0% faster	7.0% faster	89%
Design & Construction Duration	13.3% faster	33.5% faster	23.5% faster	88%

**UNIVERSITY OF TEXAS
CONSTRUCTION INDUSTRY INSTITUTE
RESEARCH ON PROJECT DELIVERY**

- Quality on a 10 point scale -
 - Start-up; Call Backs; O&M; Exterior & Structure; Interior; Environmental; Equipment
 - CM@R & DB outperformed D/B/B in nearly every category

CONSTRUCTION INDUSTRY INSTITUTE STUDY

- Best performing projects-
 - Owner decision making
 - Good scope definition
 - Excellent team communication
 - Qualified contractors
- Worst performing projects-
 - Contractor engaged late in design
 - Limited team experience
 - Onerous contract clauses
 - Poor decision making process
 - No pre-qualification process

4.0 EXAMPLE

**BROADDUS
& ASSOCIATES**
INTEGRATED PROJECT MANAGEMENT AND PLANNING



OWNER IMPLEMENTATION

- Owner's staff must understand the different approach
- Owner must use new processes / documents
- Developing sound design criteria essential
- Owner match up to Design-Builder/CM's organization critical
- Owner's project role/activities reassessed
- Owner's decision making structure/timing
- PM Best Practices are essential

SOUTH TEXAS COLLEGE MULTIPLE CAMPUS BUILDING PROGRAM MANAGEMENT

- \$100 million bond program
- 794,000 SF
- 25 projects/five campus expansion
- 5 AE's/5 CM-R's
- Substantial savings
- Added educational scope



Q&A

**BROADDUS
& ASSOCIATES**
INNOVATIVE PROJECT MANAGEMENT AND PLANNING



Review and Action as Necessary on Standard Owner/Architect Agreement for 2013 Bond Construction Program

Approval of the Standard Owner/Architect Agreement for the 2013 Bond Construction Program is requested.

Broaddus & Associates has assisted STC staff and STC legal counsel with preparation of a proposed Standard Owner/Architect agreement to be used for STC's 2013 Bond Construction Program. The proposed agreement is designed to be used when the College has employed the services of a **Construction Program Manager** and the **Construction Manager at Risk**.

A draft of the proposed Owner/Architect agreement is attached for the Board's review. The agreement has been developed to identify the Owner's and Architect's responsibilities when the construction program includes the use of a **Construction Program Manager** and a **Construction Manager at Risk** as the general contractor.

Some Bond projects may not require the **Construction Manager at Risk** procurement method and therefore the more typical **Competitive Sealed Proposals** procurement method could be used. In the cases where the **Competitive Sealed Proposals** method is used, STC's standard AIA Owner/Architect agreement can be used.

Broaddus & Associates has contacted the Board approved firms and has provided them with a draft copy of the proposed agreement. Providing each firm with the draft agreement has allowed B&A to begin negotiation on the scope of service and proposed fee. With Board approval of the proposed agreement in October 2014, B&A can finalize negotiations and prepare for Board approval of fees in November 2014.

Dr. Jim Broaddus and Mr. Gilbert Gallegos from Broaddus & Associates attended the October 14, 2014 Board Facilities Committee meeting to review the draft contract and addressed questions by the Committee.

A representative from Broaddus & Associates will be present at the October 28, 2014 Board meeting to address questions by the Board.

The Facilities Committee recommended Board approval of the use of the Standard Owner/Architect Agreement, substantially in the form presented, for the 2013 Bond Construction Program.

Recommendation:

It is recommended that the Board of Trustees of South Texas College approve and authorize the use of the Standard Owner/Architect Agreement, substantially in the form presented, for the 2013 Bond Construction Program.

The following Minute Order is proposed for consideration by the Board of Trustees:

The Board of Trustees of South Texas College approves and authorizes the use of the Standard Owner/Architect Agreement, substantially in the form presented, for the 2013 Bond Construction Program.

Approval Recommended:

**Shirley A. Reed, M.B.A., Ed.D.
President**

OWNER / ARCHITECT AGREEMENT

South Texas College

McAllen, Texas

DRAFT

October 2014

**CONTRACT AGREEMENT
BETWEEN
OWNER AND ARCHITECT**

**STATE OF TEXAS
COUNTY OF HIDALGO**

PART I. PARTIES

This Agreement for Architect Services is made ____ day of October 2014 between The South Texas College (Owner) and _____ Architects (Architect).

The following Exhibits are incorporated herein as part of this contract:

Exhibit "A"	Project Description and Construction Cost Limitation
Exhibit "B"	Architects and Consultant project team personnel assigned to the project with titles, emails and phone numbers and responsibility diagram
Exhibit "C".	Project Schedule
Exhibit "D"	Drawing and submittal requirements for each phase
Exhibit "E"	Facilities Programs

Owner engages the Architect to perform, for the Project, professional architectural services as set forth in this Agreement and the Owner agrees to pay the Architect for such services a fee in accordance with the terms and conditions hereinafter stated. [Describe Project:_____]

PART II. TERMS AND CONDITIONS, as defined in Articles 1-20 herein.

**ARTICLE 1
REPRESENTATIONS**

1.1 Legal Authority. Architect represents that the Architect has the requisite authority to enter into and perform its obligations under this Agreement. Upon execution hereof, the Architect shall submit an affidavit sworn to by an authorized officer or agent of the Architect avowing that the Architect is not in violation of any laws material to its ability to perform its obligations under this Agreement.

1.2 Architect's Professional Qualifications.

- (a) The Architect represents that it is duly licensed under the laws of the State of Texas to undertake its obligations hereunder.
- (b) Notwithstanding anything to the contrary contained in this Agreement, Owner and Architect agree and acknowledge that Owner is entering into this Agreement in reliance on Architect's special and unique abilities with respect to performing Architect's services, duties, and obligations under this Agreement ("Architect's Services"). Architect accepts the relationship established between Architect and Owner and will strive to use Architect's appropriate efforts, skill, judgment, and abilities in performing Architect's Services. Architect shall perform Architect's Services (i) in a manner consistent with that degree of care and skill ordinarily exercised by members of the same profession for those architectural firms currently practicing under similar circumstances or similar locality and (ii) in compliance with all applicable federal, state, and municipal laws, regulations, codes, ordinances, orders and with those of any other body having jurisdiction. The Architect covenants that there are no obligations, commitments, or impediments of any kind that will limit or prevent performance of Architect's

Services.

1.2.1 Engineer's Qualifications-In performing its obligations under this Contract, the Architect shall engage or cause to employ the services of one or more individual(s) licensed to practice engineering under the laws of the state of Texas, as set forth in The Texas Engineering Practice Act, Article 3271a, Vernon's Texas Civil Statutes. (The "Engineer"). Regardless of the legal relationship between the Architect and the Engineer, at all times herein, the Engineer shall also have an independent legal duty to the Owner with respect to the respective engineer design functions set out in the Architect's contract. The Engineer's duty shall include separate errors and omissions coverage as set forth in section _____ hereof.

1.2.2 Certification to Owner

Prior to issuance of the Owner's Notice to Proceed to the Architect, the Architect shall have employed, and Owner shall have approved the services of Engineers. In this regard, the Architect shall:

- a. provide the Owner with written evidence of the Architect's and Engineer's qualifications to perform the design services required under this Contract;
- b. certify to the Owner that the Architect and Engineers that are to be members of its team are being selected based on demonstrated competence and qualifications; and
- c. tender to Owner the Architect's and Engineer's errors and omission insurance policies.

1.3 Design Service Representations.

1.3.1 The Architect shall exercise usual and customary professional care in the performance of its service hereunder to the end that the final design recommended by Architect and accepted by the Owner shall be sufficient for construction of the Project, and that the Project can be constructed as designed and as shown in the plans and specifications and will be fit for the purposes for which it is intended. Approval by the Owner or Owner's Representative of any of the Architect's plans, drawings, specifications, documents, or other Work performed under this Agreement shall not relieve the Architect of responsibility for design, coordination, or the workability of the details. The Project design, plans, and specifications shall incorporate all the requirements approved by the Owner at the various design phases and shall comply with the requirements of the applicable laws including, but not limited to, the Americans with Disabilities Act, local building codes, local ordinances, local health department standards, fire department standards, rules and regulations including, but not limited to, fire safety regulations and elevator regulations, electrical, mechanical, plumbing, structural, and civil and all other laws or regulations applicable to the design and construction of the Project.

1.3.2 Standard of Care. Service provided by the Architect under this agreement will be performed in a manner consistent with that degree of care and skill ordinarily exercised by members of the same profession currently practicing under similar circumstances or similar locality.

1.3.3 Separate Agreements. Architect acknowledges that Owner has entered into separate agreements with other Consultants, including but not limited to a Construction Program Manager who will be Owner's Representative during design and construction of the Project. Architect agrees with the Owner to be bound by the Project Schedule, incorporated herein by reference. In this regard, Architect shall devote such time and in-house personnel and resources as reasonably necessary to perform Architect's services hereunder and comply with the Owner's Project Schedule attached hereto as Exhibit "C". The Owner reserves exclusively to itself the discretion to alter the overall Project Schedule.

ARTICLE 2 ARCHITECT RESPONSIBILITIES

2.1 Architect Services

2.1.1 Architect's services consist of those services specifically required to be performed by the Architect under other provisions of this contract, services performed by Architect's Consulting Engineers, and all related usual and customary services necessary and reasonably inferable to complete the Project and each phase of the Project. Architect's basic services include the following: structural, mechanical and electrical engineering necessary to carry out Architect's Basic Services;

coordination of all civil, landscaping, irrigation, audio/visual, acoustical, technology and communication systems, as well as any specialty consultants approved by the Owner.

2.1.2 The Architect will receive from Owner the documents and information contained in Exhibit "A" through "F", including a Preliminary Project Construction Cost Estimate supporting the Construction Cost Limitation established for the Project. The Architect shall review those documents to understand the objectives of the Project and shall work with Owner to arrive at a mutual understanding of such objectives. It shall be the Architect's responsibility to conduct all of its activities related to the Project so as to achieve these Project objectives on Owner's behalf.

2.1.3 The services covered by this agreement are subject to the time limitations as set forth in the Project Schedule attached hereto as Exhibit "C".

2.1.4 Time is of the essence in the performance by Architect under this Agreement. Design of the Project shall commence immediately from the date the Architect receives a written Notice to Proceed from the Owner for each phase. The Architect shall proceed in accordance with the mutually agreed upon Project Schedule. Architect shall complete the work in accordance with the Project Schedule requirements.

2.1.5 Prior to beginning the Architect Services for the Project, Architect shall submit for the Owner's review a schedule for the performance of the Architect's services consistent with the Project Schedule which shall include allowances for periods of time required for the Owner's review and for approval of submissions by authorities having jurisdiction over the Project.

2.1.6 The Architect shall be liable for its negligent acts and omissions, and for the negligent acts and omissions of anyone directly employed by the Architect, including Consulting Engineers, or anyone acting under Architect, including for all damages and losses caused as a result of its negligent acts or omissions.

2.1.7 The Owner intends to employ a Construction Manager at Risk (CM@R) to provide pre-construction services and to perform all of the construction work required by the Project. The Architect will work collaboratively with the Owner, and CM@R to fulfill the objectives of the Project.

2.1.8 The Architect shall participate in the development and review of the CM@R's Guaranteed Maximum Price (GMP) proposal. This GMP Proposal will include the qualifications, assumptions, exclusions, value engineering and all other requirements identified by Owner to the CM@R. Furthermore, the Architect shall participate in the documentation of the CM@R's GMP Proposal so as to adequately understand the contents of the GMP Proposal and ultimately confirm that the Construction Documents, when complete, reflect all qualifications, clarifications and assumptions contained within the GMP Proposal. Following Owner's Approval of the GMP proposal, the Architect shall be responsible for developing the Construction Documents, consisting of plans and specifications, and any other needed materials, and setting forth in detail all requirements embodied in the approved GMP proposal.

2.1.9 The Owner has employed a Construction Program Manager ("CPM") to perform many of the responsibilities required of the Owner under this Agreement. The Architect will work collaboratively with the CPM to facilitate the CPM's fulfillment of delegated Owner responsibilities and to fulfill the objectives of the Project.

2.1.10 Upon Architect's request, Owner will provide Architect with an executed version of the Owner's contracts with the CM@R. Nothing in the CM@R Agreement shall confer direct responsibility on the CM@R for the Architect's services, nor shall anything contained therein diminish Architect's responsibility for its services as set forth in this Agreement, or impose on Architect any responsibility for means and methods of construction.

2.1.11 The CM@R will provide GMP Proposal to the Owner on the same submittal schedule dates as those required of the Architect. The Architect shall be required to confer with the Owner and the CM@R to reconcile any material differences between the two estimates. These estimate reconciliation efforts are considered a part of Architect's Basic Services and will not be considered as Additional Services. Within the fee for Basic Services in this agreement, the Architect shall assist in scope definition & estimating which will be provided by the CPM. The level of detail of this estimate shall follow the Construction Specifications Institute (CSI) format. Such estimates shall be submitted with plans and specifications when submitted for review at the completion of the Schematic Design phase, Design Development phase, and at each of the stages of completion of the Construction Documents. Should any Construction Cost Estimate indicate a cost which exceeds the Construction Cost Limitation, the Owner will determine whether to increase the Construction Cost Limitation, or require the

Architect to revise the Project scope or quality to bring the estimated cost within the Construction Cost Limitation at no additional cost to Owner. Reductions in Project scope or quality shall be subject to Owner's review and approval. Should any Construction Cost Estimate indicate a cost which is below the Construction Cost Limitation, the Owner and Architect shall mutually agree on any changes to the Project scope, quality or to the Construction Cost Limitation. The CM@R will be providing GMP Proposal to the Owner on the same submittal schedule dates as those required of the Architect. The Architect shall be required to confer with the Owner and the CM@R to reconcile any material differences between the two estimates. These estimate reconciliation efforts are considered a part of Architect's Basic Services and will not be considered as Additional Services.

2.1.12 The Architect shall submit documents to the Owner for review at completion of the Schematic Design and Design Development phases and at the 30%, 60% and 95% stages of completion of the Construction Documents. The Architect shall incorporate into the documents such corrections and amendments resulting from Owners reviews, unless the Architect has objected in writing and has received the Owner's consent not to make the incorporation to which the Architect objects. If any added costs are incurred at a later date due to a failure to incorporate requested corrections and amendments, the added costs shall be at the Architect's sole expense.

2.1.14 Architect shall call to Owner's attention anything of any nature in any drawings, plans, sketches, instructions, information, requirements, procedures, requests for action, and other data supplied to Architect (by Owner or any other party) which Architect regards in Architect's professional opinion as unsuitable, improper, or inaccurate in connection with the purposes for which such documents or data are furnished. Nothing shall excuse or detract from Architect's responsibilities or obligations hereunder in a case where such documents or data are furnished unless Architect advises Owner in writing that in Architect's professional opinion such documents or data are unsuitable, improper, or inaccurate and Owner confirms in writing that it wishes Architect to proceed in accordance with the documents or data as originally given.

2.1.15 Architect's duties as set forth herein shall at no time be in any way diminished by reason of any approval or acceptance by Owner, nor shall Architect be released from any liability by reason of such approval by Owner, it being understood that Owner at all times is ultimately relying upon Architect's skill and knowledge in performing Architect's services. Owner shall have the right to reject any portion of Architect's Services on the Project because of any fault or defect in the Project due to the plans, drawings and specifications, and other materials prepared by Architect, and prompt notice of any such rejection shall be given by Owner to Architect. Architect shall forthwith perform, without any additional cost or expense to Owner, any and all such services as are required to correct or remedy any act, error, or omission directly attributable to the plans, drawings, and specifications and other materials of Architect, or in connection with the Architect's Services, or the services of Architect's Consultants or other persons employed by Architect, in the performance of any of the provisions of this Agreement. Should the Architect refuse or neglect to correct or remedy such defects within a reasonable time after receiving notice requesting such correction or remedy, then Owner shall be entitled to effect such correction or remedy itself at the expense of Architect, and Architect shall reimburse Owner upon demand for all expenses incurred by Owner to effect such correction or remedy. This commitment by Architect is in addition to, and not in substitution for, any other remedy for defective services that Owner may have at law or in equity, or both.

2.1.16 In view of the services to be performed by Architect, Architect shall devote such time and in-house personnel as may be required to perform Architect's services hereunder. Unless and until Owner grants its prior written approval to any substitution, or requests any substitution, Architect's Senior Principal responsible for completing the Architect's services shall be as listed on **Exhibit B** attached hereto and incorporated herein. The day-to-day Project team will be led by the person or persons as listed on **Exhibit B** attached hereto and incorporated herein, unless otherwise directed by Owner or prevented by factors beyond the control of Architect. The Senior Principal shall act on behalf of Architect with respect to all phases of Architect's Services and shall be available as required for the benefit of the Project and Owner

ARTICLE 3 BASIC SERVICES

3.1 The Architect's Basic Services consist of the following five phases: (1) Schematic Design and Master Planning Phase; (2) Design Development Phase; (3) Construction Documents Phase; (4) Bidding and Negotiation Phase; and (5) Construction Phase-Administration of the Construction Contract. Basic Services shall include landscaping, irrigation, structural, mechanical, electrical Consulting Engineering services including all building information modeling ("BIM") coordination between disciplines. Architect is responsible for coordinating all civil engineering; telecommunications design consultants and other specialized design consultants required by the project. The Architect shall provide all record drawing drawings on CADD and interior design (finish color, selection and furniture layouts) and any other services included in this Article as part of Basic Services. **See Article 5 Other services for additions services considered part of Basic Services**

3.2 Prior to proceeding with any of the phases of services set out in herein, the Architect must receive written authorization to proceed from the Owner or the Owner's CPM. The Architect and its Consultants shall not proceed beyond the phase of design authorized by the Owner, except at the Architect's and Consultants' own financial risk. The Owner may, at its sole discretion, choose not to issue a Notice to Proceed for any particular phase, subject to Architect's right of termination for Owner's abandonment of the project.

3.3 Architect shall perform, without any additional cost or expense to Owner, any and all such services as are required to correct or remedy any error or omission directly attributable to the plans, drawings, and specifications and other materials of Architect, or in connection with Architect's Services, or to other persons employed by the Architect in the performance of any of the Architects Obligations under this Agreement. Should the Architect refuse or neglect to correct or remedy such defects immediately after receiving notice requesting such correction or remedy, then Owner shall be entitled to effect such correction or remedy itself at the expense of Architect and Architect shall reimburse Owner upon demand for all expenses incurred by Owner to effect such correction or remedy. This obligation of the Architect is in addition to, and not in substitution for, any other remedy for defective services which Owner may have at law or in equity, or both.

3.4 Schematic Design and Master Planning Phase

3.4.1 Based on Owner's Program, Construction Cost Limitation and Project Schedule, the Architect shall prepare sufficient schematic design and construction alternatives for the Project to satisfy Owner's requirements. The Architect shall review the understanding of such requirements with Owner, the CPM and CM@R, and shall, at completion of this phase, submit Schematic Design Documents in accordance with Owner's Design Guidelines and any additional requirements set forth in this Agreement. Upon submission of the Schematic Design documents, the Architect shall review design and construction alternatives with the Owner, the CPM and the CM@R at the Project site. The Architect shall incorporate schematic design alternatives selected by the Owner, including those regarding aesthetic design.

3.4.2 The Architect shall furnish and deliver to the Owner four complete printed sets of Schematic Design documents. The Architect shall provide the CM@R with one copy of the Architect's documents to assist the CM@R in fulfilling its responsibilities to the Owner.

3.4.3 The Architect shall review and assist the CPM in the preparation of a detailed construction cost estimate as described in paragraph 2.1.12 to determine adherence to the Construction Cost Limitation and present same with the completed Schematic Design Documents. The Architect shall review the CPM's Construction Cost Estimate in comparison with the construction cost estimate prepared by the CM@R, and shall assist the CPM in reconciling any differences between the two construction cost estimates in coordination with the CM@R.

3.4.4 Before proceeding into the Design Development Phase, the Architect shall obtain Owner's written acceptance of the Schematic Design documents.

3.4.5 The Architect shall participate in a final review of the Schematic Design Documents with the Owner and CM@R at the Project location or other location in the Hidalgo County specified by Owner. The Architect shall present the schematic design drawings and designs at a STC Board of Trustees Facilities Committee Meeting and STC Board of Trustee ("Board") meeting. Prior to the Board's approval of the Schematic Design Documents, the Architect shall incorporate such changes as are necessary to satisfy the Owner's review comments.

3.4.6 The Architect shall prepare presentation materials as defined by Owner at completion of Schematic Design and if so requested shall present same for approval by the STC Board at a regular or special Board meeting. 3D modeling of the schematics design approved by the Owner is required under Basic Services and may be required for presentations

3.5 Design Development Phase

3.5.1 Based on the approved Schematic Design Documents and approved adjustments to the Program or Construction Cost Limitation by the Owner, the Architect shall prepare, for approval by the Owner and review by the CM@R, Design Development Documents to further define and finalize the size and character of the Project in accordance with Owner's Design Guidelines and any additional requirements set forth in this Agreement. The Architect shall review the Design Development Documents with the Owner and CM@R as they are being prepared at intervals appropriate to the progress of the Project and incorporate Owner's required changes in the documents. Such reviews will take place at the Project location or other location in the Hidalgo County specified Owner.

3.5.2 The Architect shall furnish and deliver to the Owner four complete printed sets of Design Development documents and specifications. The Architect shall provide the CM@R with one copy of the Architect's documents to assist the CM@R in fulfilling its responsibilities to the Owner.

3.5.3 The Architect shall assist the preparation of a detailed Construction Cost Estimate that will be prepared by the CPM as described in paragraph 2.1.12 to determine adherence to the Construction Cost Limitation and present same with the completed Design Development Documents. The Architect shall review the CPM Construction Cost Estimate in comparison with the Construction Cost Estimate prepared by the CM@R, and shall assist in reconciling any differences between the two construction cost estimates in coordination with the CM@R.

3.5.4 Before proceeding into the Construction Document Phase, the Architect shall obtain Owner's written acceptance of the Design Development documents and approval of the mutually established Construction Cost Limitation.

3.5.5 The Architect shall prepare preliminary recommended furniture layouts for all spaces where it is deemed important to substantiate the fulfillment of program space requirements, or to coordinate with specific architectural, mechanical and electrical elements.

3.5.6 The Architect shall participate in a final review of the Design Development Documents with the Owner and CM@R at the Project location. Prior to the Owner's approval of the Design Development Documents, the Architect shall incorporate such changes as are necessary to satisfy the Owner's and CPM written review comments.

3.6 Construction Document Phase

3.6.1 Based on the approved Design Development Documents and any further adjustments in the scope or quality of the Project or in the Project Construction Cost Limitation authorized by the Owner, the Architect shall prepare, for approval by the Owner and review by the CPM and CM@R, Construction Documents consisting of Drawings and Specifications in accordance with Owner's written requirements setting forth in detail the requirements for construction of the Project, including, without limitation, Owner's Design Guidelines and any additional requirements contained in Article 2 of this Agreement. The plans, drawings and specifications for the entire Project shall be so prepared that same will call for the construction of the building and related facilities, together with its built-in permanent fixtures and equipment which will cost no more than the Guaranteed Maximum Price accepted by Owner, or the Construction Cost Limitation established by Owner if no Guaranteed Maximum Price proposal has been accepted by Owner. The Architect will be responsible for managing the preparation and completion of Construction Documents to stay within such Guaranteed Maximum Price proposal or Construction Cost Limitation, subject to the provisions of Article 7 herein. The Architect shall submit at mutually agreed upon intervals the Construction Documents as they are being prepared so as to demonstrate progress to the Owner, CPM, and CM@R at the Project location or other location specified by Owner in the Hidalgo County. The Architect shall provide the CM@R with one copy of the Architect's Construction Documents to assist the CM@R in fulfilling its responsibilities to the Owner.

3.6.2 The Architect shall assist the Owner, CPM, and CM@R in the determination of construction phasing and scheduling, bid or proposal alternates, special cash allowances, liquidated damages, the construction contract time period, and such other construction conditions considered appropriate for the Project and advantageous to the Owner. The Architect shall assist the Owner, CPM and CM@R in the preparation of the necessary bidding information, bidding forms, RFP information, RFP forms, and the Terms and Conditions of the Construction Contracts.

3.6.3 The Architect shall assist the Owner, CPM and CM@R in connection with the Owner's responsibility and procedures for obtaining approval of all authorities having jurisdiction over the Project.

3.6.4 The Architect, at each phase of submission of Construction Documents, shall furnish and deliver to the Owner four complete printed copies of all plans, drawings and specifications and a CD containing drawings in PDF format, with all information of every character made or furnished in connection with the Construction Work, and copies shall become the property of the Owner. The Architect shall incorporate into the plans, drawings and specifications such changes as are necessary to satisfy the Owner's review comments, any of which may be appealed in writing for good cause.

3.6.5 The Architect shall pay for the reproduction of all plans, specifications and other documents for use by the office of the Architect and its Consultants. The CM@R will reimburse Architect for all review documents CM@R requests prior to the issuance of bid sets. All other reproduction costs shall be borne by the Owner, provided that all invoices for such

reproduction work are billed directly to the Owner, free of state sales taxes, and identified by the Architect as to the project name, number and institution. However, addenda documents issued after the bid documents are reproduced, except for changes generated by Owner, shall be supplied at the Architect's expense.

3.6.6 The Architect shall assist the CPM with the preparation of a detailed Construction Cost Estimate to determine adherence to the Construction Cost Limitation and present same with each phased submission of the Construction Documents. The Architect shall review the Construction Cost Estimate in comparison with the Construction Cost Estimates prepared by the CM@R, and shall assist CPM in reconciling any differences between the two Construction Cost Estimates in coordination with the CM@R.

3.6.7 The Owner may require the Architect to perform Basic Services in a manner such that the Project is constructed using multiple construction contracts or awards.

3.6.8 The Owner will require Construction Document drawings to be produced on a CADD or BIM system as part of Basic Services. The Owner will assist in defining the CADD drawing requirements and the final media for the CADD and BIM data as well and BIM requirements

3.6.9 The Architect shall participate in a review of each phase of the submission of the Construction Documents with the Owner CPM and CM@R at the Project location. Prior to Owner's approval of a particular phase of the Construction Documents, the Architect shall incorporate such changes as are necessary to satisfy the Owner's review comments. Before proceeding into the next scheduled phase of Construction Document development, the Architect shall obtain Owner's written acceptance of the prior phase and approval of the Construction Cost Estimate related thereto.

3.6.10 At the completion of the Construction Document Phase, or such other time as Owner may specify to Architect, at Owner's sole option and discretion, Owner will furnish Architect with a Guaranteed Maximum Price proposal prepared by CM@R based upon mutually agreed upon level of construction documents prepared by the Architect and approved by the Owner. The Architect shall assist the Owner and CPM and advocate the Owner's interests in Owner's negotiations with the CM@R in an effort to develop a GMP proposal acceptable to Owner, in Owner's sole option and discretion. If the Owner does not accept the CM@R's GMP proposal, the Architect shall participate with the Owner CPM and CM@R in constructability reviews and Value Engineering efforts and shall revise the documents as necessary in order to reach an agreement. If CM@R's GMP proposal exceeds the latest Construction Cost Limitation, and Owner directs Architect to revise the documents, then Architect shall revise the documents at its own expense so that the GMP proposal for constructing the Project shall not exceed the Construction Cost Limitation. If it is determined to be in the Owner's best interest, instead of requiring the Architect to revise the drawings and specifications, the Owner reserves the right to accept a GMP proposal that exceeds the stipulated Construction Cost Limitation. The Architect shall analyze the final GMP proposal document, together with its supporting assumptions, clarifications, and contingencies, and shall submit a detailed written analysis of the document to the Owner. Such analysis shall include, without limitation, reference to and explanation of any inaccurate or improper assumptions and clarifications made by the CM@R in its preparation of the GMP proposal.

3.6.11 After the GMP proposal has been accepted, the Architect shall incorporate into the Construction Documents any revisions which are necessary due to accepted assumptions and clarifications made in the development of the GMP.

3.7 Bidding and Negotiation Phase

3.7.1 In conjunction with the implementation of the Guaranteed Maximum Price and at other times as appropriate to the Project, the Architect shall assist the Owner CPM and CM@R by receiving and recording requests for Bid and Request for Proposal ("RFP") Documents, issuing Bid and RFP Documents, and accounting for Bid and RFP Documents issued; receiving and resolving questions about Bid and RFP Documents; preparing addenda, issuing addenda, and accounting for addenda issued; attending pre-bid and pre-proposal conferences; obtaining and evaluating bids and proposals; and assisting in preparing and awarding multiple contracts for construction. Architect shall answer inquiries from bidders and proposers at Owner's request, and shall prepare and issue any necessary addenda to the bidding or proposal documents.

3.8 Construction Phase – Administration of the Construction Contract

3.8.1 The Construction Phase shall commence with the earlier of (1) Owner's acceptance of the CM@R's Guaranteed Maximum Price (or acceptance of a partial Guaranteed Maximum Price for a stage or phase), (2) award of any subcontract or trade

contract by CM@R after authorization by Owner, or (3) the issuance of a purchase order by CM@R for materials or equipment for the Project after prior written authorization by Owner and, together with the Architect's obligation to provide Basic Services under this Agreement, will terminate when final payment is made to the CM@R at completion of all of the Construction Work, or sixty days after the last Date of Substantial Completion, whichever occurs last.

3.8.2 Unless otherwise provided in this Agreement and incorporated in the Construction Documents, the Architect shall provide administration of the Contract for Construction as set forth below.

3.8.2.1 The Architect shall establish and maintain a numbering and tracking system for all project records, including, but not limited to: changes, requests for information, submittals, and supplementary instructions and, for the purpose of monitoring and overseeing the Construction Work shall provide updated records to all attendees at each Owner's monthly meeting and at other times when requested. The Architect shall prepare agendas in advance of and shall conduct all design meetings scheduled by the Owner or Architect and shall promptly provide summary notes to all parties.

3.8.2.2 The Architect shall attend CM@R's regularly scheduled planning meetings when requested but will not be responsible for administering such.

3.8.2.3 The Architect shall assist the Owner and CPM in making arrangements for a Pre-Construction Conference/Partnering Workshop and shall assist in preparation of an administration booklet for the Pre-Construction Conference and shall distribute copies of the bound booklet to all parties. The Architect and its Consultants shall participate in the project Partnering process including attendance at Partnering Workshop.

3.8.2.4 The Architect shall utilize the CPM's web-based information system in order to facilitate ease and quicker communication, documentation of meeting minutes, and exchange of information related to RFI's, reports, etc. **SEE Article 5 Other Basic Services for details**

3.8.3 The Architect shall review the CM@R's initial administrative submittals for Project Schedule, Schedule of Values, Submittal Schedule, and Equipment Matrix to establish appropriate bases for construction monitoring, payment processing, and system commissioning. The Architect shall provide detailed written comments to the CM@R for necessary revisions and recommend acceptance of these documents to the Owner when appropriate. The Architect shall review periodic updates of all schedules with Owner CPM and CM@R to evaluate appropriateness.

3.8.4 The Architect and its Consultants shall prepare appropriate documentary materials for, and assist with conducting a Pre-Construction Conference at the Project site prior to commencement of construction by the CM@R.

3.8.5 The Architect shall be a representative of the Owner during the Construction Phase, and shall advise and consult with the Owner and the CPM. All formal instructions to the CM@R shall be forwarded through the Architect and all communication by and with the Architect's Consultants shall be through the Architect, except that the Owner reserves the right to communicate in writing directly with the CM@R and Consultants as it deems necessary or appropriate at any time with a copy to the Architect. The Architect shall have authority to act on behalf of the Owner to the extent provided in the Construction Documents unless otherwise modified by written instrument. Duties, responsibilities and limitations of authority of the Architect shall not be restricted, modified or extended without written acceptance of the Owner and Architect.

3.8.6 The Architect shall visit the site as reasonably necessary, but no less frequently than weekly to monitor appropriate activities during the construction period, and each Architect's Consultant shall visit the site as required during construction activities related to each Consultant's discipline, to observe the progress and quality of the Construction Work and to determine in general if the Construction Work is proceeding in accordance with the Construction Documents. Architect and each Consultant shall within no later than 2 days after the visit submit written reports for each of such visits and meetings. However, the Architect shall not be required to make exhaustive or continuous on site visits to inspect the quality or quantity of the Construction Work. On the basis of such on site observations, the Architect shall keep the CPM and Owner informed of the progress and quality of the Construction Work, and shall endeavor to protect the Owner against defects and deficiencies in the Construction Work of the CM@R. Architect shall notify Owner CPM and the CM@R in writing of any portions of the Construction Work which Architect has observed as not being in conformity with the Construction Documents and shall make recommendations as to correction of such deficiencies or defects.

As part of such on-site observation, Architect shall make its site representative available and shall consult with Owner CPM and the CM@R on the occasion of all circumstances arising during the course of construction which would make such

consultation in Owner's interests. In addition to site visits for general inspection and observation, the Architect and its Consultants shall visit the site for specific purposes related to certification of progress payments, start-up or mock-up reviews for significant work activities and for formal inspections of the Construction Work.

3.8.7 The Architect shall assist in the preparation of an agenda for, and attend monthly job conferences for attendance by representatives of the CM@R, major Trade Contractors and Subcontractors, the Architect and the Owner's Representative.

3.8.8 The Architect shall not have control or charge of and shall not be responsible for construction means, methods, techniques, sequences or procedures, or for safety precautions and programs in connection with the Construction Work, for the acts or omissions of the CM@R, Trade Contractors, Subcontractors, or any other persons performing any of the Construction Work, or for the failure of any of them to carry out the Construction Work in accordance with the Construction Documents.

3.8.9 The Architect shall at all times have access to the Construction Work whenever it is in preparation or progress.

3.8.10 The Architect shall determine the amounts owing to the CM@R based on observations of Construction Work placed at the site and on evaluations of the CM@R's Estimate for Partial Payment, shall coordinate such review and evaluation with the Owner's representatives, and shall certify CM@R's Estimates for Partial Payment in such amounts as Architect deems to be due and payable.

3.8.11 The certification of a CM@R's Estimate for Partial Payment shall constitute a representation by the Architect to the Owner, based on the Architect's observations at the site as provided in this Agreement and on the data comprising the CM@R's Estimate for Partial Payment, that the Construction Work has progressed to the point indicated; that, to the best of the Architect's knowledge, information and belief, the quality of the work is in accordance with the Construction Documents (subject to an evaluation of the Construction Work for conformance with the Construction Documents upon Substantial Completion, to the results of any subsequent tests required by or performed under the Construction Documents, to minor deviations from the Construction Documents correctable prior to completion, and to any specific qualifications stated in the CM@R's Estimate for Partial Payment); and that the CM@R is entitled to payment in the amount certified.

3.8.12 The Architect shall be the interpreter of the technical requirements of the Construction Documents and the judge of the performance there under by the CM@R. The Architect shall render interpretations necessary for the proper execution or progress of the Construction Work with reasonable promptness on written requests of either the Owner CPM or the CM@R, and shall render written recommendations within a reasonable time, on all claims, disputes and other matters in question between the Owner and the CM@R relating to the execution or progress of the Construction Work or the interpretation of the Construction Documents.

3.8.13 Interpretations and recommendations of the Architect shall be consistent with the intent of and reasonably inferable from the Construction Documents and shall be in written or graphic form.

3.8.14 Subject to approval of the Owner, the Architect's decisions in matters relating to artistic effect shall be final if consistent with the reasonably inferable intent of the Construction Documents. The Architect shall review interior designs proposed by the Owner to ensure aesthetic compatibility with the Architect's design.

3.8.15 The Architect shall recommend to the Owner rejection of Construction Work which does not conform to the Construction Documents. Whenever, in the Architect's reasonable opinion, it is necessary or advisable for the implementation of the intent of the Construction Documents, the Architect will have authority to require special inspection or testing of the Construction Work in accordance with the provisions of the Construction Documents, whether or not such Construction Work is then fabricated, installed or completed. The Architect shall review construction materials testing and any special testing required and shall provide recommendations for retesting, actions or any appropriate corrective measures as may be necessary or appropriate based on the results of such tests.

3.8.16 The Architect and its Consultants shall review and approve or take other appropriate action upon the CM@R's submittals such as Shop Drawings, Product Data and Samples, but only for conformance with the design requirements of the Construction Work set forth in the Construction Documents, and shall respond to CM@R's inquiries and questions and provide such supplemental information as appropriate. Such action shall be taken with reasonable promptness so as to cause no delay to the CM@R's scheduled progress, but in any event within fourteen (14) business days. The Architect's approval of a specific submittal item shall not indicate approval of an assembly of which the item is a component.

3.8.17 Architect shall provide consultation for the purpose of clarification and interpretation of the intent and scope of the

Construction Documents and, if necessary or appropriate, issue supplemental documents to amplify or clarify portions of the Construction Documents.

3.8.18 Architect shall provide assistance in the review of the CM@R's requests for change orders or claims for additional costs or time, and make recommendations to Owner as to such requests or claims.

3.8.19 The Architect shall review and prepare recommendation for Change Orders prior to Owner's approval and execution in accordance with the Construction Documents, and shall have authority to order minor changes in the Construction Work which are not inconsistent with the intent of the Construction Documents and do not involve an adjustment in the Guaranteed Maximum Price or an extension of the Contract Time. Any changes authorized by the Architect must be approved by the CPM. In conjunction with each Change issued by the Architect, the Architect shall recommend to the Owner whether the CM@R's proposal is reasonable. The Architect shall prepare revised Contract Drawings, where appropriate, to illustrate and document the work required by the Change. All proposed changes to drawings, plans and specifications, regardless of how initiated, shall be totally defined in the document depicting them as to scope of work added, removed, or changed. The original copies of the Construction Documents may be revised to show such changes, provided that all such revisions shall be separately recorded on media acceptable to Owner, including, without limitation, CADD and/or 3D Modeling. Such revisions shall be clearly indicated and a current revision date shall be included on the reproducible copy. Changes to the specifications shall be made by consecutively numbered and dated supplemental information. All changes to design documents or specifications will be identified with date of change, revision number and other customary identification references. Areas changed on drawings will be "clouded" to show each change. Clouds designating previous changes will be removed so that only the most recent changes will be clouded. If the revised drawings are due to Changes ordered by the Owner and not due to errors and omissions on the part of the Architect, Architect's reasonable extra expenses to produce them may be treated as Additional Services.

3.8.20 Architect shall conduct and its Consultants shall participate in concealed space inspections, systems start-up inspections, Substantial Completion or pre-Final inspections to determine the Dates of Substantial Completion, and Final Inspection. In association with each inspection, Architect and its Consultants shall prepare a punch list of items which have been observed as deficiencies in the Construction Work requiring remedial work or replacement, assemble and distribute the official punch list(s) to all affected parties, and thereafter review the corrected and/or replaced work and assist in verification of correction of all items.

3.8.21 Architect shall review, for conformance with the Construction Documents, CM@R's submission of Guaranteed Maximum Price (GMP) including assumptions, exclusions, etc.

3.8.22 The Architect and its Consultants shall assist the Owner in confirming contractor as-built drawing documentation during the course of the Construction Work and as a prerequisite for certifying progress payments and shall review final as-built documents for completeness as they relate to actual construction.

3.8.23 Architect shall assist in review of CM@R's submission of operating and maintenance instructions, manuals, brochures, drawings, and other close-out documentation furnished by the CM@R; shall require necessary revisions to same; and, when acceptable under the terms of the Contract between Owner and CM@R, shall forward them to the Owner. The Architect shall certify final payment to the CM@R when, to the best of its knowledge and belief based upon observations, the requirements of the Contract between Owner and CM@R have been met.

3.8.24 Architect shall provide assistance to Owner for the purpose of advising and counseling Owner's personnel in the usage, operation and maintenance of the building mechanical, electrical, and plumbing systems.

3.8.25 The Architect shall be available after final payment to advise the Owner regarding Warranty items and to observe Warranty work during the Warranty period. Architect shall participate in the Project's one-year warranty review.

ARTICLE 4 ADDITIONAL SERVICES

4.1 The following services are not included in Basic Services. They shall be provided if authorized and confirmed in writing by the Owner, and they shall be paid for by the Owner as provided in this Agreement, in addition to the compensation for Basic Services. Prior to commencing any Additional Service, Architect shall prepare for acceptance by the Owner an Additional Services Proposal that shall describe in detail the nature or scope of the Additional Services, the basis upon which Architect has determined that such service are Additional Services, and which shall set forth the maximum amount

of fees and reimbursable expenses for which Architect is prepared to perform such Additional Services, together with a proposed schedule for the performances of such Additional Service. The fee shall be based on actual time needed to perform additional services. Architect shall proceed only after written acceptance by Owner of the Additional Services Proposal.

4.2 Contingent Additional Services

4.2.1 Making revisions in Drawings, Specifications or other documents when such revisions are made necessary by adjustments in the Owner's program, are required by the enactment or revision of codes, laws or regulations in effect or known to be in effect subsequent to the initial preparation of such documents; or are due to changes required as a result of the Owner's failure to render decisions in a timely manner.

4.2.2 Providing services required because of significant changes in the Project, including, but not limited to size, quality, complexity, the Owner's Project Schedule, or the method of bidding or negotiating and contracting for construction, except for services required under Section 3.8.

4.2.3 Preparing Drawings, Specifications and other documentation and supporting data, evaluating CM@R's proposals and providing other services in connection with Change Orders and Construction Change Proposals if the actions required were caused by Owner or CPM's actions or other factors beyond the Architect's reasonable control or knowledge. Example: The Owner decides to change the plan of the building during construction, therefore requiring additional work. Note that this paragraph does not authorize Additional Services for Change Orders due to design errors or omissions, document clarification, etc.

4.2.4 Providing consultation concerning replacement of any Work damaged by fire or other cause during construction, and furnishing services as may be required in connection with the replacement of such Work unless such claims are based on alleged defective plans and specifications prepared by Architect.

4.2.5 Providing services made necessary by the default of the CM@R, or by major defects or deficiencies in the Work of CM@R, or by failure of performance of either the Owner or CM@R under the Contract for Construction.

4.2.6 Providing services in evaluating claims submitted by the CM@R or third parties in connection with the Work, unless such claims are based on alleged defective plans and specifications prepared by Architect.

4.2.7 Preparing to serve or serving as an expert witness in connection with any public hearing, non-binding mediation proceeding or other legal proceeding.

4.3 Optional Additional Services

4.3.1 Providing financial feasibility or other special studies.

4.3.2 Providing planning surveys, site evaluations, environmental studies or comparative studies of prospective sites.

4.3.3 Providing services relative to future facilities, systems and equipment which are not intended to be constructed during the Construction Phase.

4.3.4 Providing services to investigate existing conditions or facilities or to make measured drawings thereof, or to verify the accuracy of drawings or other information furnished by the Owner.

4.3.5 Providing coordination of Work performed by separate CM@Rs or by the Owner's own forces.

4.3.6 Providing detailed quantity surveys or inventories of material, equipment and labor.

4.3.7 Providing interior design and other similar services required for or in connection with the selection, procurement or installation of furniture, furnishings and related equipment. Drawings for Furniture layouts are part of basic services

4.3.8 Making investigations, surveys, evaluations, inventories or detailed appraisals of existing facilities, and services required in connection with construction performed by the Owner.

4.3.9 Except for services in connection with warranty claims as provided for in section 3.8.25, providing Services after

issuance to the Owner of the final Certificate for Payment, or in the absence of a final Certificate for Payment, more than sixty (60) days after the Date of Substantial Completion of the Work.

4.3.10 Providing services of Consulting Engineers for other than the normal architectural, structural, mechanical and electrical for the Project.

4.3.11 Providing any other Services not otherwise included in this Agreement or not customarily furnished in accordance with generally accepted Architectural practice.

4.3.12 Feasibility and Market Analysis

4.3.13 Telecommunications/Data Design

4.3.14 Acoustic Design

4.3.15 LEED Certification

4.3.16 Lighting Consultant

4.3.17 Graphics and Way finding

4.3.18 Windstorm Certification

4.3.19 Roofing Consultant

4.3.20 MEP Energy Modeling

4.3.21 Hospitality Interiors

4.3.22 Custom Carpet Design

4.3.23 Code Consultant

4.3.24 Theater Consultant

4.3.25 Food Service Consulting

ARTICLE 5 OTHER BASIC SERVICES

The Architect's Basic Services include the following:

5.1 **Owner InSite** software: Mandatory use of the web-based project management software; Owner **InSite**. Access to this software will be provided at no charge to the Architect and Consultants by the CPM. Documentation uploads will be required at each of the following five phases by the Architect and all consultants: (1) Schematic Design Phase; (2) Design Development Phase; (3) Construction Documents Phase; (4) Bidding or Negotiation Phase; and (5) Construction Phase-Administration of the Construction Contract. Training will be provided at no charge by the CPM. The documents which will be uploaded include but are not limited to the following:

Design Management

- Drawings and Specification at all phases
- Planning and approval documents

Communications

- Meetings
- Photos
- Issues

Construction

- Issues
- Schedule
- ASI's
- RFI's
- Submittals
- Field Reports
- Punch lists
- Warranties
- Change Orders

5.2 **Building Information Modeling (BIM) – BIM modeling is considered basic services. All sub consultants and specialty**

consultants must also provide this service as a basic service though all phase of the design and construction

**ARTICLE 6
THE OWNER'S RESPONSIBILITIES**

- 6.1 The Owner shall provide full information regarding requirements for the Project including a Facilities Program, which shall set forth the Owner's design objectives, schedule, constraints and criteria, including space requirements and relationships, flexibility and expandability, special equipment and systems and site requirements.
- 6.2 The Owner, or its authorized representatives or the CPM, shall examine the documents submitted by the Architect and shall render decisions pertaining thereto promptly to avoid unreasonable delay in the progress of the Architect's Services.
- 6.3 The Owner shall furnish a written legal description and a certified land survey of the site giving, as applicable, grades and lines of streets, alleys, pavements and adjoining property and structures, adjacent drainage, rights-of-way, restrictions, easements, encroachment, zoning, deed restrictions boundaries and contours of the site; locations, dimensions and complete necessary data pertaining to existing buildings, other improvements and trees; and full information concerning available service and utility lines both public and private, above and below grade, including inverts and depths. All the information on the survey shall be referenced to a Project benchmark.
- 6.4 The Owner shall furnish the services of Geotechnical Consulting Engineers or other Consulting Engineers as selected when such services are deemed necessary by the Architect and the Owner. Such Services shall include test borings, test pits, soil bearing values, percolation tests, surveys of hazardous materials, air and water pollution tests, ground corrosion and resistivity test, including necessary operations for determining sub-soil, air and water conditions, with reports and appropriate professional recommendations.
- 6.5 The aforementioned services, information, surveys and reports required herein shall be furnished at the Owner's expense. The Architect shall be entitled to rely upon the accuracy of all information provided by the Owner.
- 6.6 If the Owner observes or otherwise becomes aware of any fault or defect in the Project or nonconformance with the Contract Documents, prompt written notice thereof shall be given by the Owner to the Architect.
- 6.7 The Owner's failure to furnish information, provide notice of defects, or any other failure to comply shall not relieve the Architect of its obligations under this Agreement or otherwise impose upon the Architect by all applicable laws, codes, ordinances, rules, regulations and Architectural and construction industry standards.
- 6.8 The Owner shall establish and update an overall budget for the Project, including the Construction Cost Limitation, the Owner's other costs and reasonable contingencies related to all of these costs.
- 6.9 If requested by the Architect, the Owner shall furnish evidence that financial arrangements have been made to fulfill the Owner's obligations under this Agreement.

**ARTICLE 7
STATEMENT OF CONSTRUCTION COST**

7.1 Definition

The Construction Cost Limitation shall be the total cost or estimated cost to the Owner of all construction elements of the Project designed or specified by the Architect.

7.2 Responsibility for Construction Cost Limitation

7.2.1. Evaluations of the Owner's Project budget, Construction Cost Limitation and Detailed Estimates of Construction Cost Limitation, if any, shall be prepared by the CPM. It is recognized, however, that neither the Architect nor the Owner or the CPM have control over the cost of labor, materials or equipment, the CM@R's methods of determining bid prices or over competitive bidding, market or negotiating conditions.

7.2.2 While the Architect does not represent that Architect's design will assure a bid or proposal price equal to or lower than the Construction Cost Limitation, Architect shall, as part of Basic Services, alter and adjust the design, with the assistance of Owner and the CPM, as necessary to produce a Project that conforms to the Construction Cost Limitation.

7.2.3 If a Project budget or the Construction Cost Limitation is exceeded by the lowest bona fide bid or negotiated proposal, (by more than five (5) percent), the Owner shall (1) give written approval of an increase in such fixed limit, (2) authorize re-bidding or re-negotiating of the Project within a reasonable time, (3) if the Project is abandoned, terminate this Agreement, or (4) cooperate in revising the Project scope and quality as required to reduce the Construction Cost Limitation.

7.2.4 Provided the Construction Cost Limitation has been established as a condition of this Agreement, the Architect, without additional charge, shall modify the Drawings and Specifications as necessary to comply with the fixed limit.

**ARTICLE 8
COMPENSATION TO THE ARCHITECT**

8.1 Basic Compensation. The Owner shall compensate the Architect, as follows:

8.1.1 For Basic Services, Basic Compensation shall be computed in accordance with the Owner approved fee schedule.

8.1.2 Where compensation is based on a stipulated sum or percentage of the Construction Cost Limitation, progress payments for Basic Services in each phase shall total the following percentages of the total Basic Compensation payable:

Schematic Design Phase:	Fifteen percent	(15%)
Design Development Phase:	Twenty percent	(20%)
Construction Documents Phase:	Thirty percent	(30%)
Bidding or Negotiation Phase:	Five percent	(05%)
Construction Phase	Thirty percent	(30%)

8.2 Compensation for Additional Services.

8.2.1 For project representation beyond Basic Services compensation shall be computed as follows: A fixed fee agreed to by both parties when exact extent of services is defined.

8.2.2 For Additional Services of Consulting Engineers, including those who are part of Basic services and those identified as part of Additional Services, a multiple of 1.1 times the amount billed to the Architect for such services will be used to calculate the total fee for Additional Engineering Services.

8.3 Reimbursable Expenses. For Project Expenses and any other items included as Reimbursable Expenses, a multiple of One (1) times the amounts expended by the Architect, the Architect's employees and Consulting Engineers if in the interest of the Project, shall be used to determine the total amount due.

8.4 Additional Provisions

8.4.1 If the Basic Services covered by this Agreement have not been completed within 90 days from the date of Substantial Completion, through no fault of the Architect, extension of the Architect's services beyond that time shall be further compensated as provided in this Agreement.

8.4.2 Owner's payments to Architect are due and payable thirty (30) days from the date the Owner receives the Architect's invoice. Amounts unpaid sixty (60) days after the invoice date shall bear interest at the rate of 6.0% per annum.

8.5 Basic Service Fee Compensation Adjustment

The Basic Services fee lump sum compensation may be adjusted based on the Owner approved fee schedule when

authorized in writing by Owner and when the Construction Cost Limitation (CCL) increases more than 5% during any phase including acceptance of final GMP award amount.

ARTICLE 9 REIMBURSABLE PAYMENTS TO THE ARCHITECT

9.1 Direct Personnel Expense. Direct Personnel Expense is defined as the direct salaries of all the Architect's personnel engaged on the Project, and the portion of the cost of their mandatory and employee benefits, insurance, sick leave, holidays, vacations, pensions and similar contributions and benefits.

9.2 Reimbursable Expenses. Reimbursable expenses are in addition to the compensation for Basic and Additional Services and include actual expenditures made by the Architect and the Architect's employees and Consulting Engineers in the interest of the Project for the expenses listed in the following Subparagraphs:

Travel to and from the Architects office to project sites in Hidalgo and Starr County are NOT considered reimbursable expenses including sub consultants and specialty consultants

Fees paid for securing approval of authorities having jurisdiction over the Project;

Expense of reproductions of Contract Documents only when approved in writing by the Owner and when provided to the Owner.

Expense of renderings, models and mock-ups requested by the Owner;

Long distance phone service only if not associated with in - office or consultant communication. Phone and internet service shall not be considered a reimbursable expense;

Mail and overnight delivery costs for items specifically requested by Owner on Owner's authorized forms only;

Insurance premiums above Architect's standard coverage as approved by Owner.

9.3 Payments on Account of Basic Services. Payments for Basic Services shall be made monthly and, where applicable, shall be in proportion to Services performed within each phase of services.

9.4 When compensation is based on a percentage of the Construction Cost Limitation, and any portions of the Project are deleted or otherwise not constructed, compensation for such portions of the Project shall be payable to the extent services are performed on such portions, based on (1) the GPM lowest bona fide bid or negotiated proposal, or (2) if no such GPM bid or proposal is received, the most recent Construction Cost Limitation or detailed estimate of the Construction Cost Limitation for such portions of the Project.

9.5 Payments on Account of Additional Services. Payments on account of the Architect's Additional Services and for Reimbursable Expenses shall be made monthly upon presentation of the Architect's statement of actual services rendered or expenses incurred.

9.6 Architect's Accounting Records. Records of Reimbursable Expenses and expenses pertaining to Additional Services and services performed on the basis of a Multiple of Direct Personnel Expense shall be kept on the basis of generally accepted accounting principles and shall be available to the Owner and Owner's authorized representative within ten (10) days of request for payment.

ARTICLE 10 CONSTRUCTION CHANGE ORDERS

10.1 A Change Order is a written instrument prepared by the Architect, submitted to the CPM and Owner for review and signed by the Owner, CM@R and Architect, stating their agreement upon all of the following:

- a) Change in the Construction Scope of Work;
- b) The amount of the adjustment in the CM@R's Contract Sum, if any; and
- c) The extent of the adjustment in the CM@R's Contract Time, if any.

10.2 Methods used in determining adjustments to the Contract Sum shall include those listed in Paragraph 11.3.

ARTICLE 11

CONSTRUCTION CHANGE PROPOSALS

11.1 A Construction Change Proposal is a written order prepared by the Contractor, submitted to the Architect and Owner and signed by the Owner and Architect, directing a change in the Work and stating a proposed basis for adjustment, if any, in the Construction Contract Sum, or Contract Time, or both. The Owner may by Construction Change Proposal, without invalidating the Contract, order changes in the Work within the general scope of the Construction Contract consisting of additions, deletions or other revisions, the Construction Contract Sum and Contract Time being adjusted accordingly.

11.2 If the Construction Change Proposal provides for any adjustment to the CM@R's Contract Sum, the adjustment shall be based on one of the following methods:

- a) Mutual acceptance of a lump sum cost properly itemized and supported by sufficient substantiating data to permit evaluation;
- b) By unit prices stated in the Construction Contract Documents or otherwise mutually agreed upon;
- c) By cost estimated by the CM@R plus, if applicable, overhead and/or profit percentage, and accepted by the Architect. The CM@R's estimate shall become a fixed price which shall not be changed by any variation in the actual cost of executing the Work covered by the change;
- d) Cost to be determined in a manner agreed upon by the parties plus, if applicable, overhead and/or profit percentage; or
- e) By actual cost determined after the Work covered by the change is completed, plus, if applicable, overhead and/or profit percentage.

11.3 As used in this section, Construction Change Proposal's "cost" shall mean the estimated or actual net increase in cost to the CM@R, or Subcontractor for performing the work covered by the change, including actual payments for materials equipment rentals, expendable items, wages and associated benefits to workmen and to supervisors employed full time at the Site where the Work is performed, insurance, bonds, and other provable direct costs, but not including any administrative, accounting or expediting costs, or other indirect or overhead costs, or any wages or benefits of supervisory personnel not assigned full time to the Site, or any amount for profit or fee to the CM@R, Subcontractor, or Sub-subcontractor. Rates for the CM@R and Subcontractor owned equipment shall not exceed the rates listed in the Associated Equipment Distributors rental rate book as adjusted to the regional area of the Work under this Contract.

11.4 Upon receipt of a request for a Construction Change Proposal, the CM@R shall promptly proceed with confirming the change in the Work involved and advise the Architect of the CM@R's agreement or disagreement with the method, if any, provided in the Construction Change Proposal for determining the proposed adjustment in the Construction Contract Sum or Contract Time.

11.5 A Construction Change Proposal Signed by the CM@R indicates the agreement of the CM@R therewith, including adjustment in Construction Contract Sum and Contract Time or the Method for determining them. Such agreement shall be submitted for Owner approval and shall be subsequently recorded as a Change Order.

11.6 The amount of credit to be allowed by the CM@R to the Owner for a deletion or change which results in a net decrease in the Contract Sum shall be actual net cost as confirmed by the Architect and CPM. When both additions and credits covering related Work or Substitutions are involved in a change, the percentage for overhead and profit shall be figured on the basis of net increase, if any, with respect to that change.

11.7 If the Owner and CM@R do not agree with the adjustment in Contract Time or the method for determining it, the adjustment or the method shall be referred to the Architect for determination, whose decision shall be final.

11.8 When the Owner, CPM and CM@R agree with the determination made by the Architect concerning the adjustments in the Contract Sum and Contract Time, or otherwise reach agreement upon the adjustments, such agreement shall be subsequently recorded by preparation and execution of an appropriate Change Order prepared by the Architect.

ARTICLE 12 MINOR CHANGES IN THE WORK

The Architect and CPM shall have authority to order minor changes in the Work not involving adjustment in the Contract Sum or extension of the Contract Time and not inconsistent with the intent of the Contract Documents. Such changes shall be

effected by written order and shall be binding on the Owner and CM@R. The CM@R shall carry out such written orders promptly.

ARTICLE 13 SUBSTANTIAL COMPLETION

13.1 Substantial Completion is the stage in the progress of the Construction Work when the Work or designated portion thereof is sufficiently complete in accordance with the Contract Documents so the Owner can occupy or utilize the Work for its intended use.

13.2 When the CM@R considers that the whole Work, or a portion thereof designed in the Contract Documents for separate completion is substantially complete the CM@R shall submit to the Architect the permits and certificates, and the CM@R's request for review of the permits and certificates by the Architect. The Architect will determine whether the Work or designated portion thereof is substantially complete. If the Architect's review and observation discloses any item which is not in accordance with the requirements of the Contract Documents and prevent occupancy or use by the Owner, the Architect will then prepare and submit to the CM@R a comprehensive list of items to be completed and/or corrected. The CM@R shall proceed promptly to complete and correct items on the list before issuance of the Certificate of Substantial Completion by the Architect. All Work items or Contract Requirements which remain incomplete/unsatisfied at the Date of Substantial Completion will form the initial "Punch-list" for Final Acceptance. When the Work or designated portion thereof is substantially complete, the Architect will prepare a Certificate of Substantial Completion which shall establish the date of Substantial Completion. All representations required by the Contract Documents shall commence on the date of Final Completion and Acceptance which shall be thirty days after substantial completion. The Certificate of Substantial Completion shall be submitted to the Owner and CM@R for their written acceptance of responsibilities assigned to them in such Certificate.

13.3 Upon Substantial Completion of the Work and upon application by the CM@R and certification by the Architect, the Owner shall make payment, reflecting adjustment in retainage, if any, for such Work as provided in the Contract Documents.

13.4 After certifying Substantial Completion of the Work, at the Architect's discretion and with the consent of the CM@R's Surety, and the Owner Architect may approve an Application for Payment from the withheld retainage amount but not more than one-half the estimated cost of the Work remaining to be done. Remaining retainage will be released with Final Payment after Final Completion and Acceptance of the whole Work.

ARTICLE 14 FINAL COMPLETION AND FINAL PAYMENT

14.1 Upon receipt of written notice by the CM@R that the whole Work is ready for Final Observation and Acceptance, the Architect will promptly (7 days or less) undertake its review. The Architect will promptly (7 days or less) issue and date a Certificate of Final Completion and Acceptance, stating that to the best of the Architect's knowledge, information, and belief, on the basis of the Architect's observations, the Work has been completed in accordance with the terms and conditions of the Contract Documents, or it will advise the CM@R and the Owner in writing of any matters that prevent it from issuing such a Certificate. When any such matters have been addressed and resolved to the Architect's satisfaction, it shall thereafter promptly issue and date a Certificate of Final Completion and Acceptance as set forth above. In the Final Certificate for Payment, the Architect will state the date on which the whole Work was fully complete and acceptable, which date shall be the date of Final Completion and Acceptance.

14.2 Neither final payment to the CM@R nor any remaining retained percentage shall become due until the CM@R submits to the Architect (1) an affidavit that payrolls, bills for materials and equipment, and other indebtedness connected with the Work for which the Owner or the Owner's Property might be responsible or encumbered (less amounts withheld by Owner) have been paid or otherwise satisfied, (2) a certificate evidencing that insurance required by the Contract Documents to remain in force after final payment is currently in effect and will not be canceled or allowed to expire until at least 30 days' prior written notice has been given and acknowledged by the Owner, (3) a written statement that the CM@R knows of no substantial reason that the insurance will not be renewable to cover the period required by the Contract Documents, (4) consent of surety, if any, to final payment and (5), if required by the Owner, other data establishing payment or satisfaction of obligations, such as receipts, releases and waivers of liens, claims, security interests or encumbrances arising out of the Contract, to the extent and in such form as may be designated by the Owner.

14.3 Owner shall have thirty (30) days to release final payment to CM@R after receipt of final invoice and all items identified in articles 14.1 and 14.2 of this agreement have been completed and submitted to the architect and confirmed by CPM.

ARTICLE 15 DELAYS AND EXTENSIONS OF TIME

15.1 If Architect's performance of this Agreement is prevented or delayed by any unforeseeable cause, existing or future, which is beyond the reasonable control and without the fault or negligence of Architect, Architect shall, within twenty-four hours of the commencement of any such delay, give to Owner written notice thereof and within seven days of commencement of the delay the anticipated impact of the delay on performance of the Work. Within seven days after the termination of any such delay, Architect shall file a written notice with Owner specifying the actual duration of the delay. Failure to give any of the above notices shall be sufficient ground for denial of an extension of time. If Owner determines that the delay was unforeseeable, beyond the control and without the fault or negligence of Architect, Owner and CPM will determine the duration of the delay and will extend the time of performance of this Agreement accordingly.

15.2 The Architect shall provide assistance in the review of the CM@R's claims for additional time or costs and make recommendations to Owner of such claims.

ARTICLE 16 SUSPENSION AND TERMINATION

16.1 Suspension of Performance for Owner's Benefit without Fault of Architect.

16.1.1 Owner may for any reason whatsoever suspend performance under the Contract. Owner shall give written notice of such suspension to Architect specifying when such suspension is to become effective.

16.1.2 Ceasing Performance upon Suspension. From and upon the effective date of any suspension ordered by Owner under this Article, Architect shall incur no further expense or obligations in connection with the Contract and Architect shall cease its performance. Architect shall also, at Owner's direction, suspend any of its open or outstanding subcontracts or Agreements.

16.1.3 Claim for Costs of Suspension. In the event Owner directs a suspension of performance through no fault of Architect, and provided Architect submits a proper claim as provided in this Contract, Owner shall pay Architect as full compensation for Architect's earned fees through the suspension date, plus reasonable costs actually incurred and paid, for:

- a) Demobilization and remobilization, including such costs paid to Architect's consultants;
- b) Preserving and protecting Work in place, and
- c) Storage of documents, materials or equipment acquired for the Project, including insurance thereon.

16.1.4 Resumption of Work after Suspension. If Owner lifts the suspension it shall do so in writing, and Architect shall promptly resume performance of the Contract unless, prior to receiving the notice to resume, Architect has exercised its right of termination as provided herein,

16.1.5 Termination by Architect for Prolonged Suspension of Performance. If performance of this Contract is stopped for a period of ninety (90) consecutive days at the direction of Owner pursuant to Paragraph 16.1.1 or by an order of any court or other public authority, or as a result of any act of the Government, and provided that such suspension by Owner or public authority is through no fault of Architect or any person or entity working directly or indirectly for Architect, Architect may, upon ten (10) days' written notice to Owner, terminate performance under the Contract and recover from Owner on the terms and conditions and in the amounts provided in Paragraph 16.1.3.

16.2 Termination by Architect for Cause. If Owner shall persistently or repeatedly fail to perform any material obligation to Architect for a period of thirty (30) days after receiving written notice from Architect of its intent to terminate hereunder, Architect may terminate performance under the Contract by written notice to Owner. In such event, Architect shall be entitled

to recover from Owner on the terms and conditions and in the amounts as though Owner had terminated Architect's performance under the Contract for convenience pursuant to Paragraph 16.3 below.

16.3 Termination by Owner for Convenience. Owner may, at its option, terminate for convenience any work under the Agreement in whole or, from time to time, in part, at any time by written notice to Architect. Such notice shall specify the extent to which the performance of work is terminated and the effective date of such termination.

16.3.1 Upon receipt of such notice, Architect shall immediately discontinue work on the date and to the extent specified in the notice and advise all of its consultants that all design work has been terminated;

16.3.2 Upon any such termination, Architect shall waive any claims for damages including loss of anticipated profits, on account thereof, but as the sole right and remedy of Architect, Owner shall pay in accordance with the following:

16.3.3 Submission of Termination Claim and Compensation for Termination for Convenience. When terminated for convenience, Architect shall be compensated as follows:

- a) all amounts due and not previously paid to Architect for work completed in accordance with the Agreement prior to such notice of termination, and work thereafter completed as specified in such notice, but not to exceed in the aggregate the actual costs of the portions of work completed. And
- b) Reasonable administrative costs of settling and paying claims arising out of the termination of work under Architect subcontracts or Agreements.

In no event shall Architect be entitled to recover anticipated profits or other consequential damages from Owner on account of a termination for convenience or an erroneous termination for cause, as described below. The total sum to be paid Architect under this Paragraph shall never exceed the Architect's fee based on the Construction Cost Limitation, as properly adjusted, reduced by the amount of payments otherwise made, and shall in no event include duplication of payment.

16.4 Termination for Default. Notwithstanding any other provision of this Agreement, Architect shall be considered in default of its contractual obligations under this Agreement if it:

- A) Performs work which fails to conform to the requirements of this Agreement;
- B) Fails to meet the Project Schedule or fails to make progress so as to endanger performance;
- C) Fails to pay any required fees;
- D) Fails to supply adequate labor, supervisory personnel or proper equipment or materials
- E) Fails to timely discharge its obligations for labor, equipment, materials, and insurance;
- F) Disobeys applicable laws, ordinances, rules, regulations or orders of any public authority having jurisdiction;
- G) Abandons or refuses to proceed with any or all work, including directed modifications;
- H) fails to fulfill any of the terms of this Agreement;
- I) fails to provide, within the time specified in the following paragraph, in response to demand by Owner in the event that an order for relief in bankruptcy is entered with respect to Architect or Architect becomes insolvent or makes a general assignment for the benefit of creditors, adequate assurance of Architect's future performance in accordance with the terms and conditions of the Agreement. Owner shall be the sole judge of the adequacy of said assurance; or
- J) The errors and omissions insurance policy should be cancelled.

16.4.1 In the occurrence of any of the foregoing, Owner shall notify Architect in writing of the nature of the default and of Owner's intention to terminate the Agreement for default. If Architect does not cure such failure within seven (7) calendar days from the receipt of notification, or sooner if safety of persons is involved, or if Architect fails to provide satisfactory evidence that such default will be corrected, Owner may, without notice to Architect's sureties, if any, terminate in whole or in part Architect's right to proceed with work by written notice and prosecute the work to completion by any other method deemed expedient by the Owner.

16.4.2 Architect and its sureties, if any, shall be liable for all costs in excess of the Agreement price for such terminated work reasonably and necessarily incurred in the completion of the work as scheduled, including cost of administration of any Agreement awarded to others for completion.

16.4.3 Upon termination for default, Architect shall:

- a) Immediately discontinue work on the date and to the extent specified in the notice and place no further orders;
- b) Promptly obtain cancellation upon terms satisfactory to Owner of all consulting agreements;
- c) Cooperate with the Owner in the transfer of information and disposition of work in progress so as to mitigate damages; and
- d) Comply with other reasonable requests from Owner regarding the terminated work.

16.4.4 If, after termination pursuant to this clause, it is determined for any reason that Architect was not in default, the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to the clause entitled Termination by Owner for Convenience.

16.5 Non-Waiver. Failure by Owner to insist upon strict performance of any terms or conditions of this Agreement, or failure or delay to exercise any rights or remedies provided herein or by law, or failure to properly notify Architect, in the event of breach, or the acceptance of or payment for any goods or services hereunder, or the review of failure to review designs shall not release Architect from any of the representations or obligations of this Agreement and shall not be deemed a waiver of any right of Owner, to insist upon strict performance hereof or any of its rights or remedies as to any prior or subsequent default hereunder nor shall any termination of work under this Agreement by Owner operate as a waiver of any of the terms hereof .

ARTICLE 17 OWNERSHIP AND USE OF DOCUMENTS

17.1 The Architect shall provide to the Owner originals of the following documents including but not limited to: drawings, specifications and other documents or obligations by this agreement prepared by the Architect and Engineers for the Project, in written reproducible form and electronic form (AutoCad or BIM CD) of the floor plans of the original design, signed and sealed by the Architect(s) and Engineer(s) to be used by Owner as Owner deems necessary for the use of the project without violating any copyrights of the Architect, Engineer . The Owner acknowledges, however, that all reports, plans, specifications, field data and notes and other documents, including documents on electronic media, prepared by the Architect as instruments of service shall remain the property of the Architect.

17.2 Should the Contract is terminated by the Owner for any reason, at any stage of the Contract, the Architect has granted the Owner a limited license that allows the Owner to use the documents to complete the design and/or construction of the Project.

17.3 If the Contract is terminated for Convenience by the Owner, then the Owner shall pay the Architect _____% of the Architects fee as an additional consideration for the Owners use of the documents.

ARTICLE 18 NON-BINDING MEDIATION

18.1 In the event of a dispute or claim between the Architect and Owner arising out of or related to this agreement, both parties agree to submit to Non-Binding Mediation with the intent of achieving a satisfactory resolution prior to proceeding with formal litigation processes, including the filing of claims against parties (unless a failure to file causes waiver or loss of rights of subsequent action).

18.2 Such Non-Binding Mediation shall be with a mediator and rules agreed to by both parties. Both parties shall mediate through a selected and mutually agreed to senior representative of each respective party.

18.3 Both the Architect and Owner will bind their respective Consulting Engineers, Contractors, Fabricators, and Suppliers

involved in this Project to contracts which provide similar Non-Binding Mediation as the primary dispute resolution method to other agreements.

ARTICLE 19 INSURANCE AND CLAIMS NOTIFICATION

19.1. The maintenance in full force and effect of such form and amount of insurance as follows shall be a condition precedent to the Architect's exercise or enforcement of any rights under this Agreement.

19.2 Architect shall, promptly prior to execution of this Agreement and prior to working on the Project, deposit, with the Owner, Certificates of Insurance from a company with an A.M. Best Company rating of "A-" or better, and a financial classification of VII or better or a rating of Standard & Poor's Ratings Services, A Division of the McGraw-Hill Companies, Inc. of AA or better or a Moody's Investor's Service, Inc. rating of AA or better, or as otherwise approved by Owner, evidencing compliance with this Agreement, including the following requirements.

19.3 Failure to provide evidence of insurance coverage or failure to maintain coverage during the term of this Agreement, subject to waiver by Owner, shall constitute a material breach of this Agreement. Information concerning reduction of coverage shall be furnished by the Architect with reasonable promptness in accordance with the Architect's information and belief.

19.4 Coverages shall not be cancelled, allowed to expire, or non-renewed without 30 days written notice of cancellation, expiration, or non-renewal. Such notice shall be provided to the following persons via certified mail: (1) Owner's CPM; (2) Owner's legal counsel; and (3) Owner's Administration Representative. In the event that any policy is cancelled, allowed to expire, or be non-renewed, Architect or its Consultant, shall obtain another policy with the same coverages as set forth below and all future policies shall include a prior acts date dated the same date as the Notice to Proceed with the respective phase.

19.5 All insurance policies shall apply to the acts or omissions of Architect, its officers, agents and employees, and for Architect's legal responsibility for the acts or omissions of its Consultants and anyone directly or indirectly under the control, supervision, or employ of Architect or Architect's Consultants and shall encompass site services including, but not limited to, monitoring the work as it proceeds for issuing payments and completion certificates and professional services involved in bid preparation and submission. Coverage should include failure to complete construction documents or to act on submittals in the time promised unless those losses are due to improper design.

19.6 Where applicable, Owner shall be named as an Additional Insured on the policies specified herein.

19.7 Professional Liability Insurance. Architect and all Consultants shall carry Professional Liability Insurance covering the Project in the amounts set forth below. The Professional Liability Insurance policy shall be endorsed to insure the obligation of the Architect to indemnify and hold harmless the Owner. Coverages shall be maintained as follows:

- a) The Architect shall submit proof of such insurance in the amount of not less than \$1,000,000.00 per claim and \$1,000,000 in the aggregate claims made policy with coverage for a minimum of one-year after substantial completion;
- b) The structural Consulting Engineer(s) shall submit proof of such insurance in the amount of not less than \$1,000,000.00 per claim and \$1,000,000 in the aggregate claims made policy with coverage for a minimum of one-year after substantial completion;
- c) The mechanical/electrical Consulting Engineer(s) shall submit proof of such insurance in the amount of not less than \$1,000,000 per claim and \$1,000,000 in the aggregate claims made policy with coverage for a minimum of one-year after substantial completion; and
- d) The civil Consulting Engineer(s) shall submit proof of such insurance in the amount of not less than \$1,000,000 per claim and \$1,000,000 in the aggregate claims made policy with coverage for a minimum of one-year after substantial completion.

19.7.1 A project specific policy may also be obtained with the same coverages and minimum one-year tail end coverage.

19.8 Business Automobile Liability Insurance. Architect shall obtain and maintain Business Automobile Liability Insurance for owned, scheduled, non-owned or hired automobiles, with a combined single limit of no less than \$1,000,000.00 per accident

and shall name the Owner as an Additional Insured.

19.9 Worker's Compensation Insurance. Architect shall carry Worker's Compensation insurance as required by the Workers Compensation Law of the State of Texas, as amended from time to time.

19.10 Employer's Liability Insurance. Architect shall carry Employer's Liability Insurance coverage in an amount of at least \$1,000,000.00 per accident for bodily injury per accident.

ARTICLE 20 MISCELLANEOUS PROVISIONS

20.1 Venue. This Agreement is to be governed by the laws of the State of Texas. Venue shall be in Hidalgo County, Texas.

20.2 Interpretation of Agreement. The Architect, with the assistance of the CPM, shall be the interpreter of the technical requirements of the Contract Documents and the judge of the performance thereunder by the CM@R. The Architect, with the assistance of the CPM, shall render interpretations necessary for the proper execution or progress of the Work with reasonable promptness on written request of either the Owner or the CM@R, and shall render written recommendations within a reasonable time, on all claims, disputes and other matters in question between the Owner and the CM@R relating to the execution or progress of the Work or the interpretation of the Contract Documents. The Architect's decisions in matters relating to artistic effect shall be final if consistent with the intent of the Contract Documents.

20.3 Hazardous Materials. It is acknowledged by the parties that the scope of services shall not include any services related to the use of asbestos or hazardous or toxic materials. The Architect and Architect's Consulting Engineers shall have no responsibility for the discovery, presence, handling, removal or disposal of or exposure of persons to hazardous materials in any form at the Project site, including but not limited to asbestos, asbestos products, polychlorinated biphenyl (PCB) or other toxic substances.

20.4 Causes of action between the parties to this Agreement pertaining to acts or failures to act shall be deemed to have accrued and the applicable statutes of limitations shall commence to run not later than either the date of Substantial Completion for acts or failures to act occurring prior to Substantial Completion, or the date of issuance of the final Certificate for Payment for acts or failures to act occurring after Substantial Completion.

20.5 As between the Owner and Architect, the applicable statute of limitations shall commence and be applied as governed by state law.

20.6.1 For purposes of this Agreement, "Force Majeure" shall mean any of the following events: (1) war and other hostilities (whether war be declared or not), invasion, act of foreign enemies, mobilization, requisition, or embargo; (2) contamination by radioactivity; (3) rebellion, revolution, insurrection, military or usurped power, and civil war; (4) riot, commotion or disorder, and strike, except where solely restricted to employees of persons directly engaged by the Owner or their suppliers; or (5) flood, earthquake, fire, and other acts of nature that are beyond the control of the Owner and Architect.

20.6.2 Owner and Architect shall be absolved from liability for any act, omission, or circumstance occasioned by any cause whatsoever not within the control of the party affected thereby and which such party could not, by reasonable diligence, have avoided. Such acts, omissions, or circumstances, however, shall not relieve such party of liability in the event of its failure to use reasonable diligence to remedy the situation and remove the cause in an adequate manner and with all reasonable dispatch and to give notice and full particulars of the same in writing to the other party as soon as possible after the occurrence of the cause relied on. The requirement that any force majeure be remedied with all reasonable dispatch shall not require the settlement of strikes or labor controversies by acceding to the demands of the opposing party or parties.

20.7 The Owner and the Architect, respectively, bind themselves, their partners, successors, assigns and legal representatives to the other party to this Agreement and to the partners, successors, assigns and legal representatives of such other party with respect to all covenants of this Agreement. Neither the Owner nor the Architect shall assign, sublet or transfer any interest in this Agreement without the written consent of the other.

20.8 This Agreement represents the entire and integrated agreement between the Owner and the Architect and supersedes all prior negotiations, representations or agreements, either written or oral. This Agreement may be amended only by written instrument signed by both Owner and Architect.

20.9 Nothing contained in this Agreement shall create a contractual relationship with or a cause of action in favor of a third party against either the Owner or Architect.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the day and year written above.

ATTEST:

(Seal)

ARCHITECT

BY: _____
NAME: TITLE:

South Texas College

BY: _____
NAME: Shirley A. Reed, Ed.D
TITLE: President, South Texas College

Review and Action as Necessary on 2013 Bond Construction Program Priority Projects

Approval of 2013 Bond Construction Program Priority Projects is requested.

Broaddus & Associates and STC staff has reviewed the overall Bond Program schedule to identify the construction programs which will provide the most desirable space and the longest design and construction schedules, in an effort to determine which projects should get started first.

The attached table outlines the projects which have been identified as the first group to begin design work with each respective architect. The available Bond construction funds will be used to cover the costs of design and construction services for these four projects.

The Thermal Plants, Parking Lots and Site Improvement projects for each campus will be added to this list of priority projects once the MEP and civil engineers have been approved.

The Facilities Committee recommended Board approval of the 2013 Bond Construction Program Priority Projects as presented.

Recommendation:

It is recommended that the Board of Trustees of South Texas College approve and authorize the 2013 Bond Construction Program Priority Projects as presented.

The following Minute Order is proposed for consideration by the Board of Trustees:

The Board of Trustees of South Texas College approves and authorizes the 2013 Bond Construction Program Priority Projects as presented.

Approval Recommended:

Shirley A. Reed, M.B.A., Ed.D.
President

South Texas College - 2013 Bond Construction Program Summary of Priority Projects and Architects

Recommended Firms	Proposed Project Assignments	Construction Cost
Pecan Campus		
Boultinghouse Simpson Gates Architects	Pecan Campus - STEM Building	\$8,500,000
Nursing & Allied Health Campus		
ERO Architects	Nursing & Allied Health Campus Expansion	\$16,600,000
Mid Valley Campus		
ROFA Architects	Mid Valley Campus - STEM and other academic programs	\$13,500,000
Starr County Campus		
Mata & Garcia Architects, LLP	Starr County Campus - Health Professions and Science Building	\$8,500,000
Total		\$47,100,000

9-Oct-14

Review and Action as Necessary on Short List of Mechanical, Electrical, and Plumbing (MEP) Engineering Firms and Assignments of Construction Projects for the 2013 Bond Construction Program

Approval of short list of Mechanical, Electrical, and Plumbing (MEP) engineering firms and assignments of construction projects is requested.

Broaddus & Associates representatives along with STC staff attended the October 14, 2014 Facilities Committee meeting to provide an update on the evaluation of MEP firms' statements of qualifications submitted for the 2013 Bond Construction Program.

On September 23, 2014 a total of nine (9) submittals were received in response to STC's solicitation of qualifications from MEP engineers for the 2013 Bond Construction Program. A team consisting of three Broaddus & Associates representatives and six STC staff members completed the evaluations of the submittals.

Evaluation of the MEP engineers' qualifications was completed and Broaddus & Associates delivered recommendation on how the Bond construction projects could be assigned to firms based on evaluation of the information provided. This recommendation was based on the following general requirements:

1. Overall evaluation of each firm's qualifications, experience, and references
2. Ranking of each firm after evaluations
3. Project preferences as identified by each firm
4. Each firm's unique experience and areas of specialization
5. Each firm's capacity to manage each project size

The attached spreadsheets summarize the information gathered during the evaluation team's review and the proposed project assignments resulting from the evaluations. There were five firms determined to be qualified for consideration of the short list of firms to deliver the MEP engineering services required for these projects. Because there were only three projects, three of the five firms were recommended for approval.

The Facilities Committee noted that unlike the Pecan Campus and Mid Valley Campus building projects, the MEP firm recommended for 2013 Bond Construction Program Starr County Campus Thermal Plant is different than one proposed for the larger building on that campus and therefore requested that MEP engineer for the larger building be considered for the Thermal Plant Project.

Mr. Gilbert Gallegos with Broaddus & Associates confirmed that the MEP engineer proposed for the large building project was qualified for the Thermal Plant work and could be considered. The Facilities Committee asked whether the recommendation could be revised to assign the Thermal Plant project at the Starr County Campus to Sigma HN Engineers, PLLC, and Mr. Gallegos confirmed that this would be consistent with the evaluation committee's appraisal of qualifications. A memo reflecting this has been provided by Broaddus & Associates, and is include in the Board packet.

The Facilities Committee recommended Board approval of the recommended MEP engineering firms and project assignments as presented.

Recommendation:

It is recommended that the Board of Trustees of South Texas College approve and authorize the recommended MEP engineering firms and project assignments as presented.

The following Minute Order is proposed for consideration by the Board of Trustees:

The Board of Trustees of South Texas College approves and authorizes the recommended MEP engineering firms and project assignments as presented.

Approval Recommended:

Shirley A. Reed, M.B.A., Ed.D.

President

South Texas College - 2013 Bond Construction Program Summary of Recommended MEP Engineers and Project Assignments

Short List of Recommended Firms		
Firm	Recommended Project Assignments (as applicable)	Construction Cost
Halff Associates, Inc	Pecan Campus - Thermal Plant Expansion	\$4,300,000
DBR Engineering Consultants , Inc.	Mid Valley Campus - Thermal Plant Expansion	\$3,800,000
Sigma HN Engineers	Starr County Campus - Thermal Plant Expansion	\$3,800,000
Ethos Engineering	No Project Assignment Recommended	
TTG Engineers, Inc	No Project Assignment Recommended	
Firms not Recommended for Short List		
ACR Engineering Inc.		
Jose I Guerra Inc		
MEP Solutions Engineering		
Trinity MEP Engineering		

**SOUTH TEXAS COLLEGE
MEP ENGINEERING SERVICES
PROJECT NO. 14-15-1014**

VENDOR	ACR Engineering, Inc.	DBR Engineering Consultants, Inc.	Ethos Engineering
ADDRESS	1221 N 77 Sunshine Strip Harlingen, TX 78550	200 S 10th St McAllen, TX 78501	119 W Van Buren Ave Ste 101 Harlingen, TX 78550
CITY	Harlingen, TX 78550	McAllen, TX 78501	Harlingen, TX 78550
PHONE	956-425-1400	956-683-1640	956-230-3435
FAX	956-425-4197	956-683-1903	956-720-0830
CONTACT	Willis M. Ponder	Edward Puentes	Guillermo Quintanilla
3.1 Statement of Interest			
3.1.1 Statement of Interest for Project	Emphasized the firm's establishment for the purpose of make buildings more energy efficient and their expertise in LEED Consulting, Building Energy Modeling and Commissioning and Energy Consulting.	Indicated their understanding of STC's need for quick response given that the firm as recently provided services to the college.	Indicated the firm's personnel's experience in providing services, although under a different firm. Emphasized their previous work for STC and therefore their familiarity with the campuses and staff.
3.1.2 Preference on Listed Projects	Indicated preference for projects in the following Order: - Pecan Campus - Mid Valley Campus - Starr County Campus	Indicated preferences in the following order: - Pecan Campus - Mid Valley Campus - Starr County Campus	Indicated preferences as in the following order: - Mid Valley Campus - Starr County Campus - Pecan Campus
3.1.3 History and Statistics of Firm	- Established in Austin in 1980 - Opened full service office in Harlingen in 1999 - Employ 20 design professionals with 4 in Rio Grande Valley	- Providing services since 1972 - 104 staff member in 5 offices in Texas - 22 licensed engineers - 10 LEED accredited professionals	- 7 full time employees - 2 registered engineers - Firm established in spring of 2014
3.1.4 Narrative on qualifications and specialized experience	Pointed to their proficiency in thermal plant design, energy efficiency design, including efficient lighting systems and computerized building energy modeling.	Indicated design work on many thermal plants for educational clients. Also pointed to their hands-on construction administration services and their commissioning services.	Pointed to the firm's staff experience and the experience of the subconsultants selected. These include Boultinghouse Simpson Gates Architects, Green Rubiano and Associates, Perez Consulting Engineers and Melden & Hunt.
3.1.5 Statement of Availability and Commitment	Affirmed the company's dedication and availability to provides services to the college. Listed a set of processes involved in the firm's methodology for performing work.	Indicated that staff are qualified and prepared to dedicate themselves to the projects. Pointed to the availability of staff from other offices to assist if needed.	Indicated that they are available as soon as they are awarded and will make the STC project their top priority.
3.2 Prime Firm			
3.2.1 Resumes of Principals and Key Members	Included resumes for the following staff: - Willis M. Ponder, PE, President - Ricardo H. Troncoso, PE, Senior Vice President	Included resumes for the following staff: - Brian C. Ulinich, PE, Partner in Charge - Edward Puentes, PE, Project Manager - Antonio Salazar, Jr., Mechanical Designer - Daniel Chavez, EIT, Electrical Designer - Maritza Garza, EIT, Plumbing Designer	Included resumes for the following staff: - Rajesh Kapleshwar, PE, Principal - Guillermo Quintanilla, Principal - Cesar Gonzalez, PE, Principal
3.2.2 Project Assignments and Lines of Authority	Listed 9 staff members, but did not indicate the time commitment for each. An organization chart showed the lines of authority.	Listed the assignments for the above named staff and the time commitment each will devote to the project.	Indicated that all three principals will be involved in project and will devote 66% to 100% of their time. Included an organization chart that shows lines of authority.
3.2.3 Prime Firm's Proximity and ability to respond to unplanned meetings	Indicated that they will respond with utmost urgency in their work for STC. Pointed out their proximity of their Harlingen office to STC.	Pointed to their McAllen location and that they are only minutes away from the Pecan Campus.	Pointed to their location in Harlingen and their ability to respond to call for meeting within an hour.
3.2.4. Prime Firm's experience with BIM	Did not respond to this section.	Indicated their use of Autodesk Revit since 2006. Stated that there are 80+ projects in which this software has been used and listed several of these projects.	Stated that firm staff has used BIM models for several years. They added that the firm has the software and design expertise to design the project in an integrated BIM environment.
3.2.5 Litigation that could affect firm's ability provide services	Did not respond to this section.	Indicated that there is no past or pending litigation that would affect ability to provide services to STC.	Stated that there is no pending or outstanding litigation.
3.3 Project Team			
3.3.1 Organization chart with Role of Prime Firm and basic Services consultants	Included organization chart with staff who will work on the project. Indicated that they do not anticipate use of subconsultants.	Included organization chart with the staff who will be assigned to project and also included the following subconsultants: - Melden & Hunt - Civil Engineering - Chainin Engineering - Structural Engineering - PBK Architects - Architectural consultant	Included organization chart that showed all firm staff and which included the following subconsultants: - Boultinghouse Simpson Gates Architects - Architect - Green Rubiano & Associates - Structural Engineer - Perez Consulting Engineers - Civil Engineer
3.4 Representative Projects			
3.4.1 Minimum of 5 projects firm has worked on	- Brownsville ISD - Veterans Memorial High School (\$55 million) - Block 21 - (\$165 million), not completed - Austin Resource Center for Homeless (Monetary amount not indicated) - City of McAllen - McAllen Public Library (Monetary amount not indicated)	- Rio Grande City CISD - Rio Grande City High School (\$52,268,703) - Blinn College - Chiller Replacement and Central Plant Upgrade (\$385,515) - Klein ISD - Klein High School (\$103,548,388) - La Joya ISD - Benito Juarez-Abraham Lincoln High School (\$57,412,000) - Laredo Community College - New South Campus (\$32.5 million)	- South Texas ISD - BETA Campus Chiller Replacements (\$1,612,744) - Brownsville ISD - Veterans Memorial High School (\$60,000,000) - Los Fresnos ISD - Los Fresnos Unified 8th Grade Center (\$50,000) - Valley International Airport - Mechanical Upgrades (\$2,163,395) - Idea Academy - Headquarters Building (\$11,500,000)
3.5 References			
3.5.1 References for five projects	- Los Fresnos CISD - South Texas ISD - Sharyland ISD (named three other entities under the section, but did not provide contact person or phone number)	- Texas State Technical College - UT-Pan American - Texas Southmost College - Rio Grande City CISD - Blinn College	- South Texas ISD - Brownsville ISD - Los Fresnos CISD - Valley International Airport - Idea Public Schools
3.6 Project Execution			
3.6.1 Willingness and ability to expedite services. Ability to supplement production.	Indicated that the firm has completed all projects on time and within budget. Listed the steps following to maintain project management and cost control.	Indicated their ability to expedite design services. Reiterated the availability of staff from other office within Texas.	Reiterated their commitment to the project, including commitment by their subconsultants. Stated that they are willing to add more design staff if needed.

**SOUTH TEXAS COLLEGE
MEP ENGINEERING SERVICES
PROJECT NO. 14-15-1014**

VENDOR	Half Associates, Inc.	Jose I. Guerra, Inc.	MEP Solutions Engineering, PLLC
ADDRESS	5000 W Military Ste 100	2401 S IH-35 Ste 210	600 E Beaumont Ave Ste 2
CITY	McAllen, TX 78503	Austin, TX 78741	McAllen, TX 78501
PHONE	956-664-0286	512-445-2090	956-664-2727
FAX	956-664-0282	512-445-2099	956-664-2726
CONTACT	Menton Murray III	Rick Guerra	Luis Javier Pena
3.1 Statement of Interest			
3.1.1 Statement of Interest for Project	Indicated the firm's first hand knowledge of the campuses where the thermal energy plants are proposed due to work the firm has already provided to the college in the past.	Pointed out the firm's relationships with higher education clients throughout Texas. Stated that the majority of projects with higher education projects involve thermal utility systems.	Pointed out the firm's experience in providing services to governmental entities such as municipalities, universities, healthcare and other educational facilities.
3.1.2 Preference on Listed Projects	Indicated preferences in the following order: - Pecan Campus - Starr County Campus - Mid Valley Campus	Indicated preferences in the following order: - Starr County Campus - Pecan Campus - Mid Valley Campus	Indicated preferences in the following order: - Starr County Campus - Mid Valley campus - Pecan Campus
3.1.3 History and Statistics of Firm	- Founded in Dallas in 1950 - Has 13 offices in Texas - McAllen office since 1994 - About 500 staff	- Founded in 1973 in Austin as structural engineer - Opened San Antonio Office in 2014 - Staff of 30+	Firm was established in 2007. Has 5 employees, including two professional engineers.
3.1.4 Narrative on qualifications and specialized experience	Firm stated their familiarity with the existing HVAC systems and their distribution systems and in particular, the Pecan and Starr County campuses.	Reiterated the firm's extensive experience with thermal energy plant projects.	Stated that the firm offers MEP engineering services to the Rio Grande Valley, but did not address any specialized experience or qualifications.
3.1.5 Statement of Availability and Commitment	Indicated that the staff identified will be ready and available for any or all of the projects. They pointed to the depth of staff at their McAllen office and other offices.	Stated that after review of the RFQ information, the firm has the expertise and resources to successfully provide services.	Firm did not directly address this section of the RFQ, but had indicated in the Statement of Interest their commitment to provide services as needed.
3.2 Prime Firm			
3.2.1 Resumes of Principals and Key Members	Included resumes for the following staff: - Menton "Trey" Murray, PE, Project Leader - Paul Woodard, AIA, LEED AP, CCS - Ric Ruiz - Architecture - Juan Ponce, Architecture - John Main, Architecture - Robert Tijerina, HVAC/Plumbing - Scott Scholle, PE, HVAC/Plumbing - Tom Dearmin, PE, Electrical	Included resumes for the following staff: - Rick Guerra, PE, Project Principal - Debra Sharpe, AIA, Project Manager - Shawn Allen, PE, Senior Mechanical Project Engineer - Robert De La Cruz, PE, Senior Mechanical Project Engineer - Julia Wegner, PE, Mechanical Project Engineer - Colby Brock, PE, Electrical Project Engineer - Tom Ingram, EIT, Electrical Design Engineer - Brando Reyes, PE, Plumbing/Fire Protection Project Engineer - Dan Gibbs, Sr. Controls Systems Designer - Joseph J. Luke, PE, Senior Structural Project Engineer - John Rojas, PE, Senior Structural Project Engineer - Russell Davidson, PE, Senior Civil Project Engineer - Cesar Calderon, PE, Civil Project Engineer	Provided resumes for the two professional engineers: - Luis Javier Pena, PE - Abram L. Dominguez
3.2.2 Project Assignments and Lines of Authority	Showed time assignments for the four top staff member from firm who will be involved in the project. Also included the time assignment by the Structural design subconsultant.	Listed 7 staff members who would be involved in the project and the time commitment from each.	
3.2.3 Prime Firm's Proximity and ability to respond to unplanned meetings	Located in McAllen. Stated that they are within 45 minutes of the five STC campuses.	Indicated their ability to provide responsive services to clients around the state. Stated their commitment to responding to phone call within two hours and to on-site meetings within 24 hours.	Did not respond to this section.
3.2.4. Prime Firm's experience with BIM	Indicated that the McAllen team has designed MEP systems for than 25 projects using BIM in the last 5 years.	Stated that the firm has capability and experience in delivering project in BIM models, but did not state the extent of experience. They provided on project example in which BIM has been used.	Did not respond to this section.
3.2.5 Litigation that could affect firm's ability provide services	Indicated that firm had limited litigation, but is unrelated to STC and will have no impact under a contract with STC.	Stated that the firm is not currently involved in any litigation that would affect its ability to provide services to STC.	Did not respond to this section.
3.3 Project Team			
3.3.1 Organization chart with Role of Prime Firm and basic Services consultants	Organization chart was included which included the staff that would be assigned to STC plus the structural engineering subconsultant.	Included an organization chart that showed the staff who would be involved in the project. It included subconsultants that may be required, but did not include specific firms.	Organizational chart was included that showed all firm staff with their roles and lines of authority. It did not show any subconsultants.
3.4 Representative Projects			
3.4.1 Minimum of 5 projects firm has worked on	- STC - Starr County Campus (\$12 million) - STC - New Thermal Plant and Distribution System (\$4.1 million) - Harlingen CISD - Cano 9th Grade Academy (\$26.8 Million) - San Benito CISD - San Benito High School (\$5.3 million) - Texas State Technical College - Central Chiller Plant Upgrade (\$8 million)	- UT-Pan American - Higher Education Learning Center (\$5,100,000) - UT - Tyler - Palestine Texas (\$5,600,000) - Austin ISD - Performing Arts Center (\$30,100,660) - Austin ISD - Anita Uphaus Early Childhood Center (\$14,785,000) - Austin ISD - Baldwin Elementary School (\$15,500,000)	- Donna ISD - Donna High School #2 (\$46,000,000) - PSJA ISD - T-STEM Early College High School - Phase I Renovations and Additions (\$8,087,000) - PSJA ISD - T-STEM Early College High School - Phase II (\$8,691,000) - PSJA ISD - Science Lab Classroom Additions (\$7,478,000) - IDEA Academy, (three locations for total of \$12,3888,080)
3.5 References			
3.5.1 References for five projects	- Texas State Technical College - UT-Pan American - McAllen ISD - La Joya ISD - Mission CISD	- UT-Pan American - UT-Tyler - Austin ISD (listed for three projects with different references for each)	- Boullinghouse Simpson Gates Architects - ERO Architects - ROFA Architects - PBK Architects - The Warran Group Architects
3.6 Project Execution			
3.6.1 Willingness and ability to expedite services. Ability to supplement production.	Indicated that their staff of 20 at the McAllen office provides a production capacity that no other local firm can match. Also added that staff from other offices is available if needed.	Indicated that firm is fully capable of providing the services described in the solicitation, but if it cannot provide, it will retain a subcontractor to assure the schedule demands are met.	Stated their willingness and ability to meet aggressive schedules.

**SOUTH TEXAS COLLEGE
MEP ENGINEERING SERVICES
PROJECT NO. 14-15-1014**

VENDOR	Sigma HN Engineers, PLLC.	Trinity MEP Engineering, LLC.	TTG Engineers, Inc.
ADDRESS	701 S 15th St	3533 Moreland Dr Ste A	12042 Blanco Rd Ste 200
CITY	McAllen, TX 78501	Weslaco, TX 78596	San Antonio, TX 78216
PHONE	956-332-3206	956-973-0500	210-530-7000
FAX	956-687-5561	956-351-5750	210-377-1575
CONTACT	Jesus Gabriel Hinojosa	Leonardo Munoz	Brian Goebel
3.1 Statement of Interest			
3.1.1 Statement of Interest for Project	The firm emphasized the experience of the two principals in MEP engineering. They also indicated that STC would be working directly with the two principals.	Firm made a general statement of their experience and ability to provide services for the bond construction program.	Firm cited their extensive experience in MEP design and engineering and stated that it is the core of the firm's higher education group.
3.1.2 Preference on Listed Projects	Firm did not indicate a preference. They indicated that they would welcome the opportunity to work on any of the projects.	Indicated preferences in the following order: - Mid Valley Campus - Pecan Campus - Starr County Campus	Indicated preferences in the following order: - Pecan Campus - Med Valley Campus - Starr County Campus
3.1.3 History and Statistics of Firm	Established in 2012. Indicated a combined 15 years experience of the two principals. Stated that they have completed 75 projects with 15 of these for higher education.	Firm was established in 2008. Has 15 employees. Located in Weslaco, TX.	- Founded in 1973 - Offices in San Antonio, Austin, Dallas & Houston - Have total staff of 450 with 83 licensed engineers
3.1.4 Narrative on qualifications and specialized experience	Pointed out the work of the two principals on thermal energy projects for STC and various school districts.	Firm emphasized the experienced of the owner and CEO of the firm. It pointed to his overall expertise in MEP aspects.	Firm stated their strong resume on higher education and chilling plant projects. Gave two recent examples of thermal plant expansions for two higher education clients.
3.1.5 Statement of Availability and Commitment	Indicated that firm has the resources and is prepared to perform work for STC. Listed a staff of seven. Pointed out that since firm is located in McAllen, they are able to provide services immediately upon request.	Firm indicated their availability and commitment to undertake the work and complete within the planning schedules.	Stated that they are prepared to fully commit the time and resources for the project.
3.2 Prime Firm			
3.2.1 Resumes of Principals and Key Members	Provided resumes for the two principals: - Jesus Gabriel Hinojosa, PE - Jose Antonio Nicanor, PE	Provided resumes for the following staff: - Leonardo Munoz, PE, CEO - Fidencio Alvarado, Senior Electrical Designer/Project Manager	Provided resumes for the following staff: - Brian Goebel, PE, Principal in Charge - Ali Hami, PE, QA/QC - Adrian Lozano, PE, Lead Electrical Engineer - Jose Rodriguez, PE, Lead Mechanical Engineer - Tae Hwang, EIT, Energy Analysis Engineer
3.2.2 Project Assignments and Lines of Authority	Staff assignments and time commitment for each staff was included.	Lines of authority and time assignments were indicated in an organization chart.	Listed the above-named staff as the key professionals who would be involved in the project. Their roles and time assignments are provided.
3.2.3 Prime Firm's Proximity and ability to respond to unplanned meetings	Location is in McAllen. Pointed out their proximity to all campuses and therefore their ability to respond quickly.	Located in Weslaco, TX. Firm stated its proximity to all campuses and its willingness to attend unplanned meetings.	Indicated that the distance of the San Antonio office will not be an issue. Pointed to successful completion of projects in the Rio Grande Valley and have not had problems responding to last minute requests.
3.2.4. Prime Firm's experience with BIM	Indicated that the two principals underwent training on Revit in 2011. Also listed several projects in which Revit was used.	Indicated that firm has been using BIM since 2009. It did not include projects in which it has been used.	Indicated that firm uses the latest version of AutoDesk Products and their own BIM system.
3.2.5 Litigation that could affect firm's ability provide services	Did not respond to this section	Did not respond to this section.	Indicated that firm is not currently involved in litigation that would affect ability to provide services to STC.
3.3 Project Team			
3.3.1 Organization chart with Role of Prime Firm and basic Services consultants	Organization chart was included showing the primary roll of the two principals and which included two subconsultants. The subconsultants are: - Mata Garcia Architects - CLH Engineering	Included organization chart that included all firm staff and their experience. Did not list any subconsultants.	Included organization chart that includes the staff who would be involved in the project. No subconsultants are included.
3.4 Representative Projects			
3.4.1 Minimum of 5 projects firm has worked on	- La Joya ISD - Hidalgo County FEMA Safe Room (\$5.75 million) - STC - Pecan Campus Student Services Building Modifications (\$350,000) - UT-Pan American - NECC/MAGC Chilled Water Piping (\$200,000) - UT-Pan American - Dietetics Lab (\$278,000) - Hidalgo County - Community Resource Center (\$1.21 million)	- Roma ISD - Anna S. Canavan Elementary (\$12 million) - PSJA ISD - Garza Pena Elementary (\$13 million) - Monte Alto ISD - Monte Alto High School (\$17 million) - Mission ISD - Mission Early College Campus (\$14 million) - Mercedes ISD - Kennedy Elementary (\$9 million)	- University Health System - Trauma Tower & Central Plant Expansion (\$700 million) - University of Houston - Central Plant Upgrade (\$7 million) - Texas A&M University System - Satellite Utility Plant 1 (\$9 million) - Alamo Colleges - Northwest Vista College Campus Central Plant (\$12.5 million) - Texas State University San Marcos - South Campus Utility Upgrade Phase 1 (\$5,470,260)
3.5 References			
3.5.1 References for five projects	- La Joya ISD - ERO Architects - UT-Pan American - Donna ISD - Mata Garcia Architects	- ROFA Architects - NK Architects - ERO Architects - EGY Architects - GMS Architecture - Roberto Ruiz Architects - Origo Works - Megamorphosis Architecture	- University Health System - University of Houston - Texas A&M University System - Alamo Colleges - Texas State University System
3.6 Project Execution			
3.6.1 Willingness and ability to expedite services. Ability to supplement production.	Indicated that meeting schedules and accelerated timelines is part of the firm's culture. Stated that they are willing and able to expedite services. Pointed to a proven track record for the two principals.	Indicated their willingness and ability to expedite design services. Pointed out their staff of 15 employees.	Indicated their ability to expedite design and construction administration services. They stated that they would be able to supplement design capability with staff from other offices.



MEMORANDUM

To: Gerry Rodriguez, AIA, Director of FP&C
From: Gilbert Gallegos, AIA, Senior Vice President
Date: October 15, 2014
Subject: Recommendation for MEP Engineers - Thermal Energy Plant Assignments
Re: 2013 South Texas College Bond Construction Program

Based on our experience with Bond Construction Programs throughout the State of Texas including Rio Grande Valley, and our familiarity with the proposed MEP Engineering firms listed, we strongly recommend the selection of the Engineering firms submitted on the summary attached to provide the professional design services for STC's 2013 Bond Construction Program Thermal Energy Plant projects. The process for evaluation of qualifications has confirmed that each of these recommended firms is highly qualified for the building type assigned by the Facilities Committee and Broaddus & Associates unequivocally supports the recommendation that will ultimately be approved by the Board of Trustees.

In our opinion, STC has and is following the process under Chapter 2254 of the Government Code, Contract of Professional Services, requiring the entity that is procuring such services, to first select the most highly qualified provider based on competence and qualifications. The second step is to negotiate a contract with that provider at a fair and reasonable price.

The initial assignment and distribution of 2013 Bond Construction Program projects identified the top five most highly qualified firms as part of the evaluation of the Statement of Qualifications submitted by a total of nine firms. The identification of the top five most qualified firms allows for the ultimate decision by the Board of Trustees to include further proposed assignments or distribution of 2013 Bond Construction Program Thermal Energy Plant projects.

We recommend that the MEP Engineer firms and proposed project assignments on the attached summary be approved by Board of Trustees and request approval for STC staff and Broaddus & Associates to commence negotiations with each firm as part the next step in the Professional Procurement Process.

Review and Action as Necessary on Contracting Architectural Design Services for the Pecan Campus Student Support Services Building Improvements

Approval to contract architectural services for the design of the Pecan Campus Student Support Services Building to include renovations to the Admissions Office, Welcome Center, and Main Entrance is requested.

Funds for this project are included in the FY 2014-2015 construction budget. The attached floor plan depicts the locations for the proposed design and construction work. These improvements will provide increased efficiency in the use of interior space and improvements to the main building entrance. The interior spaces affected by these improvements include the Admissions Office and the Student Welcome Center. The proposed changes will result in more efficient services to students and more effective work spaces for staff.

The improvements to the exterior main entrance are intended to enhance the area and define it as the building's main entrance. Design and construction will focus on extension of the exterior cover up to the main entry doors, reconfiguration and repair of sidewalks, entry signage, and landscaping.

Five architectural firms listed below were previously approved by the Board for one year to provide professional services as needed for projects under \$500,000.00.

1. Boultinghouse Simpson Gates Architects
2. EGV Architects, Inc.
3. ERO Architects, Inc.
4. PBK Architects
5. Rike Ogden Figueroa Alex Architects

Since this list of architectural firms was approved at the June 26, 2014 Board meeting, none of these firms have been contracted for on-call services. Staff recommends starting project assignments alphabetically from this new list, therefore Boultinghouse Simpson Gates Architects is recommended as the firm to provide these services. This firm designed the original building and is familiar with the building plans.

Funds in the amount of \$250,000 are budgeted in the FY 2014-2015 construction budget for the modifications and \$37,500 is budgeted for design services with final amount to be negotiated.

Project Budget		
Budget Components	Amount Budgeted	Actual Cost
Design	\$37,500	Actual design fees are estimated at \$18,000 (7.25%) and will be finalized during contract negotiations.
Construction	\$250,000	Actual cost will be determined after the solicitation of construction proposals.

Staff will negotiate design fees with architect to determine an acceptable amount.

The Facilities Committee recommended Board approval to contract architectural services with Boultinghouse Simpson Gates Architects for the design of the Pecan Campus Student Support Services Building to include renovations to the Admissions Office, Welcome Center, and Main Entrance as presented.

Recommendation:

It is recommended that the Board of Trustees of South Texas College approve and authorize contracting architectural services with Boultinghouse Simpson Gates Architects for the design of the Pecan Campus Student Support Services Building to include renovations to the Admissions Office, Welcome Center, and Main Entrance as presented.

The following Minute Order is proposed for consideration by the Board of Trustees:

The Board of Trustees of South Texas College approves and authorizes contracting architectural services with Boultinghouse Simpson Gates Architects for the design of the Pecan Campus Student Support Services Building to include renovations to the Admissions Office, Welcome Center, and Main Entrance as presented.

Approval Recommended:

Shirley A. Reed, M.B.A., Ed.D.
President

MAIN ENTRANCE

WELCOME CENTER

ADMISSIONS OFFICE

PECAN CAMPUS
BLDG. K FIRST FLOOR

IMPROVEMENTS TO ADMISSIONS OFFICE, WELLNESS CENTER AND MAIN ENTRANCE

Review and Action as Necessary on Contracting MEP Engineering Design Services for the Pecan Plaza Police Department Electrical Generator

Approval to contract Mechanical, Electrical, and Plumbing (MEP) engineering design services for the Pecan Plaza Police Department Electric Generator is requested.

With the relocation of STC's Police Department to the Pecan Plaza site, it is recommended that an electrical generator be installed to support the department's operations when electrical services are not available. The installation of a generator will ensure that police operations will continue during times of bad weather or other events which may interrupt the electrical service to the building.

The electrical power provided by the generator will provided continuous support for two way radios, telephones, dispatch systems, and other telecommunication services. Maintaining the electrical service for these communication services will allow police officers and security staff to communicate between all STC campuses.

The three MEP engineering firms listed below were previously approved by the Board for one year to provide professional services as needed for projects under \$300,000.00.

1. DBR Engineering Consultants, Inc.
2. Halff Associates, Inc.
3. Sigma HN Engineers, PLLC

Since this list of MEP firms was approved at the June 26, 2014 Board meeting, only one of these firms has been contracted for on-call services. The next recommendation is based on an alphabetical selection, placing Halff Associates as the firm to provide these services.

Funds have been budgeted in the FY 2014-2015 construction budget for design and construction of these improvements, with final amount to be negotiated.

Project Budget		
Budget Components	Available Funds	Estimated Cost
Design	\$10,000	Actual design fees are estimated between \$8,000 and \$9,000 and will be finalized during contract negotiations.
Construction	\$100,000	Actual cost will be determined after the solicitation of construction proposals.

The Facilities Committee recommended Board approval to contract Mechanical, Electrical, and Plumbing (MEP) engineering design services with Halff Associates for the Pecan Plaza Police Department Electric Generator as presented.

Recommendation:

It is recommended that the Board of Trustees of South Texas College approve and authorize contracting Mechanical, Electrical, and Plumbing (MEP) engineering design services with Halff Associates for the Pecan Plaza Police Department Electric Generator as presented.

The following Minute Order is proposed for consideration by the Board of Trustees:

The Board of Trustees of South Texas College approves and authorizes contracting Mechanical, Electrical, and Plumbing (MEP) engineering design services with Halff Associates for the Pecan Plaza Police Department Electric Generator as presented.

Approval Recommended:

Shirley A. Reed, M.B.A., Ed.D.

President

Mechanical Electrical Plumbing (MEP) Engineering Services On Call through 2015

Board Approval	Project Awarded	Firm	Campus	Project	Fee Amount	Totals	Percent Fee	Construction Amount
6/26/2014		DBR Engineering Consultants, Inc. Halff Associates Sigma HN Engineers, PLLC		Award: 6/26/2014 to 6/25/2015				
	7/29/2014	DBR Engineering Consultants, Inc.	District-wide	Parking Lot Lighting Upgrades	TBD			\$100,000.00
		DBR Engineering Consultants, Inc.				TBD		

*Estimated

Review and Action as Necessary on Contracting Construction Services for the Nursing & Allied Health Campus West Wing Medical Labs Flooring Replacement

Approval to select a contractor for the Nursing & Allied Health Campus West Wing Medical Labs Flooring Replacement is requested.

This item was scheduled for review at the October 14, 2014 Facilities Committee meeting. The Committee did not review the item due to time constraints; however, staff requests that the Board consider taking action on this item without a Committee recommendation at this time. This would allow the contractor to order materials in time to install flooring during the Winter Break.

Carpeting in some areas of these buildings is over thirteen years old and is in need of replacement. Staff proposes to replace the carpet with carpet tile which is the current STC standard due to its higher quality and reduced maintenance.

STC staff issued the necessary plans and specifications for the solicitation of competitive sealed proposals. Solicitation of competitive sealed proposals for this project began on September 11, 2014. A total of eight (8) sets of construction documents were issued to general contractors, sub-contractors and suppliers and a total of five (5) proposals were received on September 26, 2014.

Timeline for Solicitation of Competitive Sealed Proposals	
September 11, 2014	Solicitation of competitive sealed proposals. Eight (8) sets of construction documents were issued.
September 26, 2014	Five (5) proposals were received.

Staff evaluated these proposals and prepared the attached proposal summary. It is recommended that the top ranked contractor be recommended for Board approval.

Funds are available in the FY2014-2015 Renewals and Replacements budget for this project.

Source of Funding	Amount Budgeted	Highest Ranked Proposal
Renewals & Replacements	\$80,000	\$65,416.24

The Facilities Committee recommended Board approval to contract construction services with Vintage Tile and Stone, LLC in the amount of \$65,416.24 for the Nursing & Allied Health Campus West Wing Medical Labs Flooring Replacement project as presented.

Recommendation:

It is recommended that the Board of Trustees of South Texas College approve and authorize contracting construction services with Vintage Tile and Stone, LLC in the amount of \$65,416.24 for the Nursing & Allied Health Campus West Wing Medical Labs Flooring Replacement project as presented.

The following Minute Order is proposed for consideration by the Board of Trustees:

The Board of Trustees of South Texas College approves and authorizes contracting construction services with Vintage Tile and Stone, LLC in the amount of \$65,416.24 for the Nursing & Allied Health Campus West Wing Medical Labs Flooring Replacement project as presented.

Approval Recommended:

Shirley A. Reed, M.B.A., Ed.D.

President

**SOUTH TEXAS COLLEGE
NURSING & ALLIED HEALTH CAMPUS FLOORING REPLACEMENT - WEST WING MEDICAL LABS
PROJECT NO. 14-15-1026**

VENDOR	Daniel Garza/dba The Carpet House	Diaz Floors & Interiors, Inc.	Holchemont, Ltd.	Vintage Tile & Stone, LLC.	W.E. Imhoff Co. Inc./dba Intertech Flooring
ADDRESS	1303 E Rogers Rd	1205 W Polk	900 N Main St	2020 W Nolana Ave	1301 Bus Park Dr Ste D
CITY/STATE	Edinburg, TX 78542	Pharr, TX 78577	McAllen, TX 78501	McAllen, TX 78504	Mission, TX 78572
PHONE	956-383-8889	956-787-0056	956-686-2901	956-631-8528	956-584-3592
FAX	956-287-7889	956-781-7917	956-686-2925	956-631-8526	956-584-2149
CONTACT	Daniel Garza	Andres Diaz	Michael C. Montalvo	Elizabeth Govea	Vicente Garza
#	Proposed	Proposed	Proposed	Proposed	Proposed
1	Nursing & Allied Health Campus Flooring Replacement - West Wing Medical Labs	\$ 79,987.50	\$ 68,439.48	\$ 65,416.24	\$ 75,271.00
TOTAL PROPOSAL AMOUNT	\$ 79,987.50	\$ 68,439.48	\$ 79,200.00	\$ 65,416.24	\$ 75,271.00
TOTAL EVALUATION POINTS	****	90.11	85.86	92.5	82.2
RANKING	****	2	3	1	4

***Vendor did not submit the required bid bond therefore proposal was not evaluated.

**SOUTH TEXAS COLLEGE
NURSING & ALLIED HEALTH CAMPUS FLOORING REPLACEMENT - WEST WING MEDICAL LABS
PROJECT NO. 14-15-1026
EVALUATION FORM**

VENDOR		Diaz Floors & Interiors, Inc.	Holchemont, Ltd.	Vintage Tile & Stone, LLC.	W.E. Imhoff Co. Inc./dba Intertech Flooring				
ADDRESS		1205 W Polk	900 N Main St	2020 W Nolana Ave	1301 Bus Park Dr Ste D				
CITY/STATE		Pharr, TX 78577	McAllen, TX 78501	McAllen, TX 78504	Mission, TX 78572				
PHONE/FAX		956-787-0056	956-686-2901	956-631-8528	956-584-3592				
FAX		956-781-7917	956-686-2925	956-631-8526	956-584-2149				
CONTACT		Andres Diaz	Michael C. Montalvo	Elizabeth Govea	Vicente Garza				
1	The Respondent's price proposal. (up to 45 points)	43.01	43.01	37.16	37.16	45	45	39.1	39.1
		43.01		37.16		45		39.1	
		43.01		37.16		45		39.1	
		43.01		37.16		45		39.1	
		43.01		37.16		45		39.1	
2	The Respondent's experience and reputation. (up to 10 points)	10	9.4	7	8.2	8	8.5	8	8.2
		9		8		8		9	
		9		9		9.5		8	
		9		8		9		8	
		10		9		8		8	
3	The quality of the Respondent's good or services. (up to 10 points)	10	8.6	9	8.6	9	8.4	7	8.3
		8		8		8		8	
		7		9		9		9.5	
		8		8		9		9	
		10		9		7		8	
4	The Respondent's safety record. (up to 5 points)	4	3.7	5	4.8	5	4.7	3	3.4
		3		5		4		3	
		4		4		4.5		4	
		3		5		5		4	
		4.5		5		5		3	
5	The Respondent's proposed personnel. (up to 8 points)	6	6.6	8	7.1	7	6.7	6	6.2
		7		7.5		5.5		6	
		7		7		7		6	
		6		6		7		6	
		7		7		7		7	
6	The Respondent's financial capability in relation to the size and scope of the project. (up to 9 points)	8	6.8	8	7.2	8	6.8	5	5.8
		6		6		6		6	
		6		7		8		7	
		6		7		6		4	
		8		8		6		7	
7	The Respondent's organization and approach to the project. (up to 6 points)	5	5	6	5.8	6	5.4	3	4.2
		5		6		4		4	
		5		6		6		5	
		4		6		6		5	
		6		5		5		4	
8	The Respondent's time frame for completing the project. (up to 7 points)	7	7	7	7	7	7	7	7
		7		7		7		7	
		7		7		7		7	
		7		7		7		7	
		7		7		7		7	
TOTAL EVALUATION POINTS		90.11		85.86		92.5		82.2	
RANKING		2		3		1		4	

Review and Action as Necessary on Contracting Construction Services for the Technology Campus Building B Flooring Replacement

Approval to select a contractor for the Technology Campus Building B Flooring Replacement is requested.

This item was scheduled for review at the October 14, 2014 Facilities Committee meeting. The Committee did not review the item due to time constraints; however, staff requests that the Board consider taking action on this item without a Committee recommendation at this time. This would allow the contractor to order materials in time to install flooring during the Winter Break.

Carpeting in some areas of these buildings is over fifteen years old and is in need of replacement. Staff proposes to replace the carpet with carpet tile which is the current STC standard due to its higher quality and reduced maintenance.

STC staff issued the necessary plans and specifications for the solicitation of competitive sealed proposals. Solicitation of competitive sealed proposals for this project began on September 11, 2014. A total of eight (8) sets of construction documents were issued to general contractors, sub-contractors and suppliers and a total of five (5) proposals were received on September 26, 2014.

Timeline for Solicitation of Competitive Sealed Proposals	
September 11, 2014	Solicitation of competitive sealed proposals. Eight (8) sets of construction documents were issued.
September 26, 2014	Five (5) proposals were received.

Staff evaluated these proposals and prepared the attached proposal summary. It is recommended that the top ranked contractor be recommended for Board approval.

Funds are available in the FY2014-2015 Renewals and Replacements budget for this project.

Source of Funding	Amount Budgeted	Highest Ranked Proposal
Renewals & Replacements	\$80,000	\$15,462.15

The Facilities Committee recommended Board approval to contract construction services with Diaz Floors and Interiors, Inc. in the amount of \$15,462.15 for the Technology Campus Building B Flooring Replacement project as presented.

Recommendation:

It is recommended that the Board of Trustees of South Texas College approve and authorize contracting construction services with Diaz Floors and Interiors, Inc. in the amount of \$15,462.15 for the Technology Campus Building B Flooring Replacement project as presented.

The following Minute Order is proposed for consideration by the Board of Trustees:

The Board of Trustees of South Texas College approves and authorizes contracting construction services with Diaz Floors and Interiors, Inc. in the amount of \$15,462.15 for the Technology Campus Building B Flooring Replacement project as presented.

Approval Recommended:

Shirley A. Reed, M.B.A., Ed.D.

President

**SOUTH TEXAS COLLEGE
TECHNOLOGY CAMPUS BUILDING B FLOORING REPLACEMENT
PROJECT NO. 14-15-1025**

VENDOR	Daniel Garza/dba The Carpet House	Diaz Floors & Interiors, Inc.	Holchemont, Ltd.	Vintage Tile & Stone, LLC.	W.E. Imhoff Co. Inc./dba Intertech Flooring	
ADDRESS	1303 E Rogers Rd	1205 W Polk	900 N Main St	2020 W Nolana Ave	1301 Bus Park Dr Ste D	
CITY/STATE	Edinburg, TX 78542	Pharr, TX 78577	McAllen, TX 78501	McAllen, TX 78504	Mission, TX 78572	
PHONE	956-383-8889	956-787-0056	956-686-2901	956-631-8528	956-584-3592	
FAX	956-287-7889	956-781-7917	956-686-2925	956-631-8526	956-584-2149	
CONTACT	Daniel Garza	Andres Diaz	Michael C. Montalvo	Elizabeth Govea	Vicente Garza	
#		Proposed	Proposed	Proposed	Proposed	
1	Technology Campus Bldg B Flooring Replacement	\$ 21,372.15	\$ 15,462.15	\$ 22,200.00	\$ 16,512.28	\$ 19,544.00
TOTAL PROPOSAL AMOUNT		\$ 21,372.15	\$ 15,462.15	\$ 22,200.00	\$ 16,512.28	\$ 19,544.00
TOTAL EVALUATION POINTS		***	92.1	80.04	89.63	78.26
RANKING		***	1	3	2	4

***Vendor did not submit the required bid bond therefore proposal was not evaluated.

**SOUTH TEXAS COLLEGE
TECHNOLOGY CAMPUS BUILDING B FLOORING REPLACEMENT
PROJECT NO. 14-15-1025
EVALUATION FORM**

VENDOR		Diaz Floors & Interiors, Inc.	Holchemont, Ltd.	Vintage Tile & Stone, LLC.	W.E. Imhoff Co. Inc./dba Intertech Flooring			
ADDRESS		1205 W Polk	900 N Main St	2020 W Nolana Ave	1301 Bus Park Dr Ste D			
CITY/STATE		Pharr, TX 78577	McAllen, TX 78501	McAllen, TX 78504	Mission, TX 78572			
PHONE/FAX		956-787-0056	956-686-2901	956-631-8528	956-584-3592			
FAX		956-781-7917	956-686-2925	956-631-8526	956-584-2149			
CONTACT		Andres Diaz	Michael C. Montalvo	Elizabeth Govea	Vicente Garza			
1	The Respondent's price proposal. (up to 45 points)	45	31.34	31.34	42.13	42.13	35.16	35.16
		45	31.34		42.13		35.16	
		45	31.34		42.13		35.16	
		45	31.34		42.13		35.16	
		45	31.34		42.13		35.16	
2	The Respondent's experience and reputation. (up to 10 points)	9	9	8.2	9	8.5	9	8.2
		10	7		9.5		8	
		9	8		8		8	
		9	9		8		8	
		10	8		8		8	
3	The quality of the Respondent's good or services. (up to 10 points)	8	9	8.6	9	8.4	8	8.3
		10	9		9		9.5	
		7	8		7		7	
		8	9		8		9	
		10	8		9		8	
4	The Respondent's safety record. (up to 5 points)	3	5	4.8	5	4.7	3	3.4
		4.5	5		4.5		4	
		4	5		5		3	
		3	4		4		4	
		4	5		5		3	
5	The Respondent's proposed personnel. (up to 8 points)	6	7	7.1	7	6.7	6	6.2
		7	8		7		6	
		7	6		7		6	
		7	7		5.5		6	
		6	7.5		7		7	
6	The Respondent's financial capability in relation to the size and scope of the project. (up to 9 points)	6	8	7.2	6	6.8	6	5.8
		8	8		8		7	
		6	7		6		5	
		6	7		6		4	
		8	6		8		7	
7	The Respondent's organization and approach to the project. (up to 6 points)	4	5	5.8	6	5.4	4	4.2
		6	6		6		5	
		5	6		5		3	
		5	6		4		5	
		5	6		6		4	
8	The Respondent's time frame for completing the project. (up to 7 points)	7	7	7	7	7	7	7
		7	7		7		7	
		7	7		7		7	
		7	7		7		7	
		7	7		7		7	
TOTAL EVALUATION POINTS		92.1	80.04		89.63		78.26	
RANKING		1	3		2		4	

Review and Action as Necessary on Rejecting Construction Proposals for the Starr County Campus Buildings A and B Carpet Replacement

Approval to reject and re-solicit construction proposals for the Starr County Campus Buildings A and B Carpet Replacement is requested.

This item was scheduled for review at the October 14, 2014 Facilities Committee meeting. The Committee did not review the item due to time constraints; however, staff requests that the Board consider taking action on this item without a Committee recommendation at this time. Approval to reject this proposal will allow staff to begin the process to re-solicit proposal and prevent loss of additional time. This would allow re-solicitation and potentially a recommendation for Board approval of a contractor prior to Winter Break.

STC staff worked to prepare and issue the necessary plans and specifications for the solicitation of competitive sealed proposals. Solicitation of competitive sealed proposals for this project began September 15, 2014. A total of four (4) proposals were received on September 30, 2014.

The Purchasing Department was notified by The Monitor that the solicitation for these services was not advertised in the newspaper for two consecutive weeks as required and requested by STC staff. For this reason, staff recommends Board approval to reject the current proposals and allow staff to re-solicit construction proposals.

The Facilities Committee recommended Board approval to reject and re-solicit construction proposals for the Starr County Campus Buildings A and B Carpet Replacement project as presented.

Recommendation:

It is recommended that the Board of Trustees of South Texas College approve and authorize rejecting and re-soliciting construction proposals for the Starr County Campus Buildings A and B Carpet Replacement project as presented.

The following Minute Order is proposed for consideration by the Board of Trustees:

The Board of Trustees of South Texas College approves and authorizes rejecting and re-soliciting construction proposals for the Starr County Campus Buildings A and B Carpet Replacement project as presented.

Approval Recommended:

Shirley A. Reed, M.B.A., Ed.D.
President

Review and Action as Necessary on Final Completion of the Starr County Campus Parking Lot 5 Lighting and Drive Lighting

Approval of final completion and release of final payment for the Starr County Campus Parking Lot 5 Lighting and Drive Lighting is requested.

It is recommended that final completion and release of final payment for this project with Zitro Electric be approved. The original cost approved for this project was in the amount of \$98,500.

The following chart summarizes the above information:

Construction Budget	Approved Proposal Amount	Net Total Change Orders	Final Project Cost	Previous Amount Paid	Remaining Balance
\$105,000	\$98,500	\$0	\$98,500	\$93,575	\$4,925

On October 1, 2014, STC Planning & Construction Department staff along with ACR Engineering inspected the site to confirm that all punch list items were completed. Attached is a letter from ACR Engineering acknowledging all work is complete and recommending release of final payment.

The Facilities Committee recommended Board approval of the final completion and release of final payment in the amount of \$4,925 for the Starr County Campus Parking Lot 5 Lighting and Drive Lighting project with Zitro Electric as presented.

Recommendation:

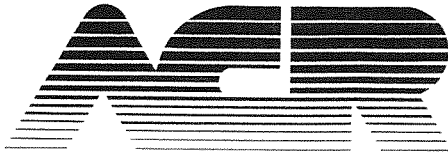
It is recommended that the Board of Trustees of South Texas College approve and authorize the final completion and release of final payment in the amount of \$4,925 for the Starr County Campus Parking Lot 5 Lighting and Drive Lighting project with Zitro Electric as presented.

The following Minute Order is proposed for consideration by the Board of Trustees:

The Board of Trustees of South Texas College approves and authorizes the final completion and release of final payment in the amount of \$4,925 for the Starr County Campus Parking Lot 5 Lighting and Drive Lighting project with Zitro Electric as presented.

Approval Recommended:

Shirley A. Reed, M.B.A., Ed.D.
President



ACR ENGINEERING, INC.

1221 N. 77 Sunshine Strip
Harlingen, Texas 78550
Tel: 956/425-1400

August 28, 2014

South Texas College
3200 W. Pecan Blvd., Bldg N. Ste 179
McAllen, TX 78501

Phone: 956-872-3737
Fax: 956-872-3747

Re: STC Starr County Campus Site Parking Lot & South Drive Lighting

Attn: Ricardo de la Garza, Assoc. AIA
Project Manager
Facility Planning & Construction

ACR Engineering, Inc. recommends Final Completion of the STC Starr County Campus Site Parking Lot & South Drive Lighting and recommends release of final payment, pending submission of As-Builts and review of closeout documents by ACR Engineering, Inc.

If you have any questions, please contact our office.

Sincerely,

A handwritten signature in black ink, appearing to read 'Miles Ponder', written over the word 'Sincerely,'.

Miles Ponder
1221 N. 77 Sunshine Strip
Harlingen, TX 78550
Phone: 956-425-1400
Fax: 956-425-4197
Email: mponder@acreng.com
www.acreng.com

Update on Status of Construction Projects

The Facilities Planning & Construction staff prepared the attached design and construction update. This update summarizes the status of each capital improvement project currently in progress.

This item is for the Board's information only. No action is requested.

CONSTRUCTION PROJECTS PROGRESS REPORT October 14, 2014

Project number	PROJECT DESCRIPTION	Project Development			Design Phase			Solicitation of Proposals			Construction Phase					Architect/Engineer	Contractor
		Board approval of A/E	Concept Development	Schematic Approval	30%	60%	95%	100%	Solicitation of Proposals	Board Approval of Contractor	Construction Start	30%	50%	75%	95% Substantial Completion		
Pecan Campus and Pecan Plaza																	
14-1-004	Pecan Plaza - Police Department Space Renovation																5 Star Construction
14-1-012	Pecan - Annex Grant/Accountability Office Improvements																5 Star Construction
14-1-015	Pecan - Student Services Bldg Modifications																Bullard Construction
14-1-016	Plaza - Continuing Education Space Renovation																Alpha Building Corp.
14-1-021	Pecan - Building A, G, D & X Electrical Disconnects																In house
14-1-022	Pecan - Infrastructure for relocation of Portable Buildings																TBD
15-1-012	Pecan - Relocation of Electrical Power Lines																TBD
15-1-013	Pecan - AECHS Service Drive and Sidewalk Relocation																TBD
15-1-020	Pecan - Covered Area for Ceramic Arts Kilns																TBD
15-1-012	Pecan Plaza - Asphalt Resurfacing on Back Side																TBD
15-1-023	Pecan Plaza - Police Department Emergency Generator																TBD
15-1-011	Pecan - Removal of existing trees for Bond projects	N/A															TBD
Mid Valley Campus																	
	None currently in progress																
Technology Campus																	
14-3-002	TC - West Academic Building Re-roofing																TBD
14-3-006	TC - HVAC Cooling Tower Replacement																TBD
15-3-R01	TC - Replacement of flooring in Building B																TBD
Nursing and Allied Health Campus																	
14-4-001	NAH - Parking Lot Expansion																TBD
14-4-002	NAH - West Wing Recarpeting	N/A	N/A	N/A													Intertech Flooring
14-4-004	NAH - Irrigation system upgrades	N/A	N/A														TBD
14-4-005	NAH - Subdivision Plat																N/A
15-4-022	NAH - Walls for Quiet Study Area	N/A	N/A	N/A													N/A
Starr County Campus																	
14-5-003	Starr - Parking Lot 5 Lighting																Ziuro Electric
14-5-004	Starr - South Drive Lighting																Ziuro Electric
District Wide Improvements																	
14-6-010	DW - Building to Building ADA Accessibility Phase II																TBD
14-6-011	DW - Infrastructure for Fiber Optic Lines																TBD
14-6-012	DW - Parking Lots Lighting Upgrades to LED																TBD

For FY 2014-2015, 25 projects are currently in progress, 0 have been completed and 35 pending start up - 60 Total

Status of Construction Projects In Progress October 2014

Project	% Complete	Date to Complete	Current Activity	Budget	Contract Amount	Amount Paid	Balance
Pecan Campus							
Pecan Plaza Renovations for Police Department	99%	July 2014	<ol style="list-style-type: none"> 1. Construction Phase 2. Substantial Completion has been certified 3. Punch list work is complete 4. Staff moved in during August 2014 5. Working on resolution to HVAC unit programming correction with manufacturer 	\$1,200,000	\$904,143.45	\$851,317.65	\$52,825.80
Hail Damage Repairs Construction	100%	June 2014	<ol style="list-style-type: none"> 1. Construction Phase 2. All repairs a complete 3. Working with legal counsel to prepare demand letter to Chubb Insurance for payment on balance of claim 	Const. \$5,500,000	Const. \$7,575,711.73	Const. \$7,575,711.73	Const. \$0
Grant/Accountability Office Improvements	40%	November 2014	<ol style="list-style-type: none"> 1. Construction Phase 2. Construction in progress 	\$24,000	\$94,600	\$0	\$94,600
Student Services Building Offices Modifications	50%	December 2014	<ol style="list-style-type: none"> 1. Construction Phase 2. Construction in progress 	\$154,050	\$393,000	\$28,158	\$364,842
Pecan Plaza Continuing Education Classrooms Improvements	75%	November 2014	<ol style="list-style-type: none"> 1. Construction Phase 2. Construction in progress 	\$170,000	\$187,310	\$67,271.04	\$120,038.96
Pecan Campus Buildings A, E, G & X Electrical Disconnects	5%	January 2015	<ol style="list-style-type: none"> 1. Construction Phase 2. Construction in progress 	\$100,000	TBD	\$0	TBD

Project	% Complete	Date to Complete	Current Activity	Budget	Contract Amount	Amount Paid	Balance
Infrastructure for Relocation of Portable Buildings	10%	December 2014	1. Design Phase 2. Design work in progress	\$52,500	TBD	\$0	TBD
Relocation of Electrical Power Lines	50%	February 2015	1. Project development phase 2. Working with AEP to confirm scope of work needed for relocation of above ground lines 3. Once scope is confirmed, STC will need to contract an MEP engineer to design under ground infrastructure	\$11,250	TBD	\$0	TBD
AECHS Service Drive and Sidewalk Relocation	80%	November 2014	1. Project development phase 2. Recommend Board approval of civil engineer in October 2014 to begin design work	\$9,000	TBD	\$0	TBD
Cover area for Ceramic Arts Kilns	100%	November 2014	1. Project development phase 2. Recommend Board approval of architect engineer in October 2014 to begin design work	\$48,750	TBD	\$0	TBD
Pecan Plaza Asphalt Resurfacing on Back Side	100%	November 2014	1. Project development phase 2. Recommend Board approval of civil engineer in October 2014 to begin design work	\$8,000	TBD	\$0	TBD
Pecan Plaza Police Department Emergency Generator	100%	November 2014	1. Project development phase 2. Recommend Board approval of MEP engineer in October 2014 to begin design work	\$30,000	TBD	\$0	TBD
Removal of Trees for Bond Construction	80%	October 2014	1. Design Phase 2. STC staff is preparing and RFP for solicitation of proposals	\$3,750	TBD	\$0	TBD
Mid Valley Campus							
No Work in Progress							
Technology Campus							
West Academic Building Re-roofing	15%	November 2014	1. Design Phase 2. Design Phase in progress	\$125,000	\$106,181.25	\$0	\$106,181.25

Project	% Complete	Date to Complete	Current Activity	Budget	Contract Amount	Amount Paid	Balance
HVAC Cooling Tower Replacement	5%	January 2015	1. Construction Phase 2. Contract has been signed 3. Contractor has mobilized to begin construction	\$415,000	TBD	\$0	TBD
Replacement of Flooring in Building B	5%	December 2014	1. Construction Phase 2. Contract has been signed 3. Contractor has ordered materials	\$50,000	TBD	\$0	TBD
Nursing and Allied Health Campus							
Parking Expansion	100%	August 2014	1. Design Phase 2. Engineers have completed plans and specifications 3. Construction proposals were received and were over budget 4. Board approved to reject the proposals and re-solicitation is in progress	\$54,000	\$47,755	\$38,455	\$9,300
West Wing Re-carpeting	100%	July 2014	1. Construction phase 2. Work is complete	\$150,000	\$97,474	\$97,474	\$0
Irrigation System upgrades	5%	November 2014	1. Design Phase 2. Design work in progress	\$2,000	TBD	\$0	TBD
Subdivision Plat for 6.63 Acres	95%	November 2014	1. Design Phase, 2. Staff is working with the engineer to finalize subdivision plat	\$0	\$18,745	\$6,530	\$12,215
Walls for Library Quiet Study Area	10%	January 2015	1. Construction Phase 2. Pending Board approval of proposal from pre-fabricated wall manufacture	\$25,000	TBD	\$0	TBD
Starr County Campus							
Parking Lot 5 and South Drive Lighting	100%	September 2014	1. Construction Phase 2. Work is complete	\$105,000	\$98,500	\$93,575	\$4,925

Project	% Complete	Date to Complete	Current Activity	Budget	Contract Amount	Amount Paid	Balance
District Wide							
Building to Building ADA Accessibility Improvements Phase II	5%	January 2015	1. Design Phase 2. Design work is in progress	\$60,000	TBD	\$0	TBD
Infrastructure for Fiber Optic Lines	20%	November 2015	1. Project development Phase 2. Staff is working to confirm locations where underground infrastructure will be needed to additional fiber optic lines	\$95,000	TBD	\$0	TBD
Parking Lots Lighting Upgrades to LED	10%	November 2015	1. Design phase 2. Design work in progress	\$15,000	TBD	\$0	TBD
For FY 2014-2015, 25 projects are currently in progress, 0 have been completed and 5 pending start – Total 60							

Consideration and Approval of Checks and Financial Reports

Board action is requested to approve the checks for release and the financial reports for the month of September 2014. The approval is for checks submitted for release in the amount greater than \$50,000 and checks in the amount greater than \$10,000 that were released as authorized by Board Policy No. 5610.

Mrs. Mary Elizondo, Vice President for Finance and Administrative Services, will provide a review of the Financial Report for the month of **September 2014**, and will respond to questions posed by the Board.

The checks and the financial reports submitted for approval are included in the Board packet under separate cover.

Recommendation:

It is recommended that the Board of Trustees approve the submitted checks for release in an amount over \$50,000.00, the checks that were released as authorized by Board Policy #5610, and the financial reports submitted for the month of September 2014.

The following Minute Order is proposed for consideration by the Board of Trustees:

The Board of Trustees of South Texas College approves and authorizes the submitted checks for release in an amount over \$50,000.00, the checks that were released as authorized by Board Policy #5610 and the financial reports submitted for the month of September 2014.

Approval Recommended:

Shirley A. Reed, M.B.A., Ed.D.
President

Consideration and Approval of Checks and Financial Reports

The Checks and the Financial Reports presented for approval are included in the Board Packet under SEPARATE COVER:

- A. Release of Checks for \$10,000.00 - \$50,000.00
Released Prior to Board Approval for September 2014
- B. Release of Checks for \$50,000.00 and Above
Board of Trustees Approval Required for September 2014
- C. Release of Checks for \$50,000.00 and Above
Released Prior to Board Approval (Policy 5610) for September 2014
- D. Release of Construction Fund Checks for September 2014
- E. Quarterly Investment Report for September 2014
- F. Summary of Revenue for September 2014
- G. Summary of State Appropriations Income for September 2014
- H. Summary of Property Tax Income for September 2014
- I. Summary of Expenditures by Classification for September 2014
- J. Summary of Expenditures by Function for September 2014
- K. Summary of Auxiliary Fund Revenues and Expenditures for September 2014
- L. Summary of Grant Revenues and Expenditures, September 2014
- M. Summary of Bid Solicitations
- N. Check Register for September 2014

FINANCIAL REPORTS

The Financial Reports are included in your Board packet under separate cover.

Informational Items

- President's Report

- Board Committee Meeting Minutes:
 - o October 14, 2014 Education & Workforce Development Committee
 - o October 14, 2014 Facilities Committee
 - o October 14, 2014 Finance and Human Resources Committee

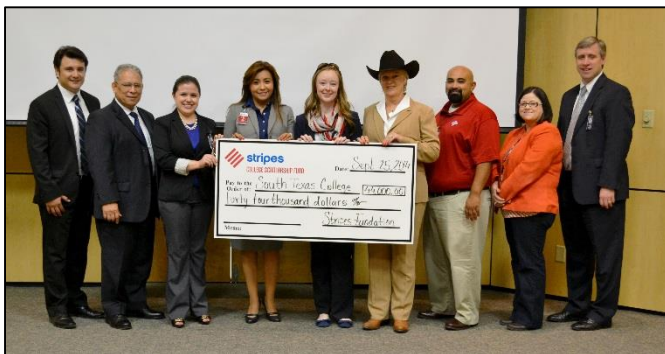
President's Report



South Texas College and the Universidad Autónoma de Nuevo León (UNAL) officially announced a partnership when both institutions signed a General Academic Collaboration Agreement during a signing ceremony on October 16, 2014 at STC's Pecan Campus in McAllen. The collaboration agreement commits both institutions to support joint projects, cultural and academic exchanges, and exchange of information, experts, instructional materials and other elements considered necessary to reinforce one another's respective educational capabilities. UANL is the third largest institution of higher education in Mexico and

one of the most important in Latin American. The UANL has been considered a research institution since 1943 with seven campuses in the Mexican state of Nuevo León and an enrollment over 83,000 students in undergraduate and postgraduate studies, and an overall enrollment of 164,000. The main campus is located in Monterrey, Mexico.

The collaboration agreement made between South Texas College and other Mexican institutions in the past year are the building blocks toward complementing Mexico's "Proyecto 100,000," a proposal to send 100,000 Mexican students to study in U.S. institutions and President Barack Obama's "100,000 in the Americas" initiative to send 100,000 students to study at Latin American universities. The international project between Mexico and the U.S. is part of the Bilateral Forum on Higher Education, Innovation and Research (FOBESII) that was announced in May 2013 by the presidents of both nations.



South Texas College was presented with a check for \$44,000 from Stripes. This fall, 44 students at South Texas College were awarded the Stripes College Scholarship. Family, friends, campus administrators and representatives from the Stripes Foundation all gathered to recognize the scholarship recipients. The Stripes College Scholarship Fund provides \$1,000 scholarships to full-time college students or high school seniors who are registered to begin full-time classes. In its

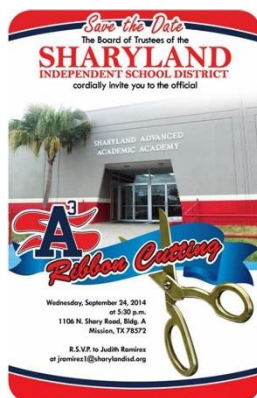
first year of existence, the scholarship fund awarded over 400 scholarships across three states, with 44 of them going to South Texas College students. Students at South Texas College are strongly encouraged to apply for scholarships as it can be seen as an excellent supplement to the student's existing financial aid award package. Those who may not qualify for other types of financial aid including federal or state grants are especially encouraged to apply as not all scholarships require financial-need.



South Texas College administrators and I attended the Rio Grande City CISD ribbon cutting ceremony for the new Rio Grande City CISD Preparatory Early College High School, at the Paco Zarate Auditorium in Rio Grande City, TX, held Friday, October 10, 2014 @ 10:30 AM. Rose Benavidez, South Texas College Trustee and I provided remarks on behalf of the College. The Preparatory Early College High School is the first ECHS in Starr County. It is one of 11 new early college high schools starting this year, and we are excited about the impact this school will have in Starr

County. The school is housed in the former site of the Rio Grande City High School, with 125 students, a principal, a counselor, and 9th grade core teachers. Its location is directly across our Starr County campus, which makes it convenient for students to simply walk over to enroll in college classes. The graduating class of 2018, will be one of the first to take advantage of this new opportunity and will be well prepared to complete their education and take advantage of the growing job opportunities of the Rio Grande City community and the Valley. Rio Grande City Consolidated School District (RGCCISD) has always had a sizeable student enrollment in the dual program and has grown with the opening of the new Grulla High School.

Key South Texas College administrators and staff participated in the Weslaco ISD's ribbon cutting ceremony for their new Career & Technology Education (CTE) Early College High School. The event was held on Tuesday, October 21st in Weslaco. This was another celebration of the great partnership that South Texas College enjoys as the higher education institution with 26 early college high schools.

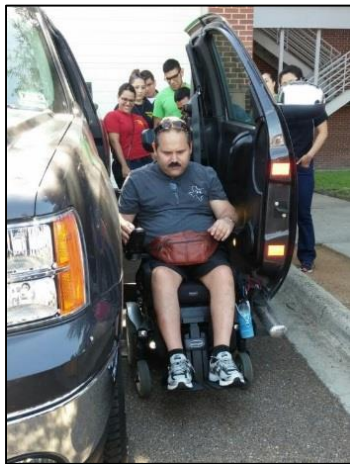


Attended the Sharyland ISD Ribbon Cutting event for their *Advanced Academic Academy* also known as Sharyland A3. I provided remarks on behalf of South Texas College. The Sharyland A3 early college high school is one of 11 that are new to the program this fall with South Texas College. Sharyland A3 starts this year with 125 freshmen, who are already scheduled to start college dual classes this coming spring. The student body is made up of 80 first generation (first time to college) students, and 63% are identified as economically disadvantaged. The leadership at Sharyland A3 is working closely with the students to provide the academic rigor and preparation necessary for enrolling and being successful with college courses. The early college high school students are allowed to participate in band, sports, as well as extracurricular activities, and the ECHS has already started a Master Mind Club, a Student Council, and a Spanish Club.



contributions toward student success!

The Automotive Technology Program at South Texas College held a graduation ceremony at the Pecan Campus. Family, friends, faculty and professionals all gathered to recognize the graduates on completing the rigorous two-year program. Graduates earned an Associate Degree in Automotive Technology and completed an internship program with a local dealership. Additionally, these graduates obtained a specialization through the General Motors (GM) Automotive Service Educational Program. Kudos to the students and the faculty members for their support and



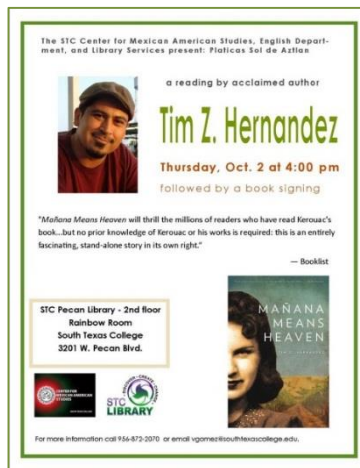
Robert Garza of Houston was left paralyzed from the chest down following a motorcycle accident in 2001. Since then, he has visited the South Texas College Nursing & Allied Health Campus each year to offer students a personal account of his recovery process. As the brother of Physical Therapy Instructor Isabel Garcia, he has had the opportunity to share his experiences, challenges and successes with both Physical Therapist Assistant (PTA) and Occupational Therapy Assistant (OTA) students.

Mr. Garza's presentations offer insight into multiple facets of the rehabilitation process. Students learn what it takes for a patient to return to the highest level of function possible following a traumatic event. As patients with extensive spinal cord injuries are often transferred to larger rehabilitation facilities outside of the Rio Grande Valley, local students typically do not have the benefit of interacting with them during their clinical observations. Because of this, Mr. Garza's personal commitment to share his experiences with students at South Texas College has proved invaluable.





The College's Office of Public Relations and Marketing is preparing new marketing pieces promoting STC. Still and video images prepared for this effort may be used in web, print, radio, outdoor, and television formats. To this end the Office of Public Relations and Marketing reached out to students to volunteer to appear in these pieces. Here is a photo South Texas College student, Mike, and his son sharing some time in front of the camera.




The College's Center for Mexican American Studies, English Department, and Library Services Departments presented: *Platicas Sol de Aztlan*. The event was held on October 2nd at 4:00 PM with a reading and book signing by Tim Z. Hernandez, author of the novel "Mañana Means Heaven." Mr. Hernandez is an award winning author and performance artist. He teaches at the University of Texas – El Paso. The event was held at the College's Pecan Campus Library, Rainbow Room.

The Visual Arts and Music Department presented "An Evening of American Music" (Soprano) and Daniel Cather Faculty members.



Department presented "An Evening of American Music" featuring Susan O'Leary (Soprano) and Daniel Cather (Pianist), Music Department

Flu Vaccine Clinic for Employees Offered
by Preventative Health Solutions




Preventative Health Solutions will be on Campus for Flu Vaccines on the following dates:

1. Pecan Campus
Where: Student Activities Center Building H Room 218
When: September 23, 2014
Time: 8:00am-11:00pm
2. Nursing Campus
Where: Building West Wing Room 101
When: September 23, 2014
Time: 11:00am-1:00pm
3. Starr Campus
Where: Building D Room D1 118
When: September 23, 2014
Time: 8:00am-11:00pm
4. Mid-Valley Campus
Where: Building Q Room Q208
When: October 1, 2014
Time: 8:00am-11:00pm

The Office of Human Resources/Benefits Office made available Flu Vaccine Clinics for all South Texas College employees at the Nursing, Mid-Valley, Pecan and Starr County Campuses, commencing September 25th thru October 1, 2014. This was a great opportunity for employees to get vaccinations at no cost.

Mid-Valley Campus
On-Campus Recruitment



**Jackson Hewitt
Tax Service**

Wednesday, September 24th

The South Texas College Career & Employer Services Office in collaboration with Jackson Hewitt Tax Service held an “On-Campus Recruitment” event at the Mid-Valley Campus on Wednesday, September 24th in the lobby of Building F.

**PUBLIC SAFETY &
FIRST RESPONDERS
EXPO**

WEDNESDAY, OCTOBER 22
STC PECAN CAMPUS - COOPER CENTER
Free & Open to the Public!




Additionally, On Wednesday, October 22nd a **Public Safety & First Responders Expo** was held at the Cooper Center on the Pecan Campus. The purpose of this event was to inform the public of safety programs offered at South Texas College. This was a collaborative initiative between the following programs: STC’s Police Academy, Fire Science Program, Emergency Medical Technology Program and the Criminal Justice Program. In addition, representatives from local, state and federal agencies were available to share and demonstrate their initiatives, career pathways and potential employment opportunities. Activities included the showcasing of Crime Stoppers RGV, EMT Mobile Unit, Police Sky Tower, Police SWAT Truck, and Fully Equipped Fire Truck.



DISTRICT-WIDE RÉSUMÉ DAYS

September 29 Mid-Valley Campus Bldg. A 101
September 30 Pecan Campus Bldg. C 122
October 1 Starr County Campus Bldg. E Auditorium
October 2 Technology Campus Bldg. C 128
October 6 Nursing & Allied Health Campus Rm. 101

9:00am-4:00pm

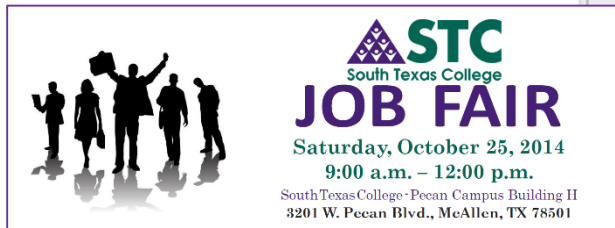
STC Bring your résumé to be reviewed!
For more information, please call (956) 872-6318.

The Office of Career Planning, Readiness and Employer Services hosted College-Wide Resume Writing and Interviewing Workshops starting September 29th at the Mid Valley Campus and ending October 29th at the Pecan Campus. All students and alumni were invited to attend to learn the latest trends in resume writing, cover letters and interviewing skills.

The Office of Professional Development College employees for the Supervisory scheduled to begin October 17, 2014. included Mastering the Transition, Communication Essentials, Coaching for Improvement, Appraising Performance, as a Supervisor.

Supervisory Leadership Academy (SLA) Level I	
Time:	9:00 a.m.- 12:00 a.m.
Length:	7 Sessions, 3hours each
Location:	Rainbow Room, Pecan Campus
SESSION DATES & TOPICS	
Friday, October 17 th	
Mastering the Transition	
Friday, October 24 th	
Leading Employees	
Friday, October 31 st	
Communication Essentials	
Friday, November 7 th	
Coaching for Performance	
Friday, November 14 th	
Counseling for Improvement	
Friday, November 21 st	
Appraising Performance	
Friday, December 5 th	
Continuing Your Growth as a Supervisor	

is recruiting South Texas Leadership Academies, Session dates and topics Leading Employees, Performance, Counseling for and Continuing Your growth



The Office of Human Resources held a Job Fair for currently advertised staff positions. Representatives from a variety of South Texas College departments were available to meet potential candidates interested in their vacant positions to respond to questions.



The Annual Valley Scholars Program fundraiser "A Night with the Stars" took place on October 9. The event was an evening of celebration, recognition of donors **HEB** and **Doctors Hospital at Renaissance** for being this year's Star Supporters of Education!, Valley Scholars Program graduates and their



successes, entertainment by the College's Music Department, as well as a silent auction and prize giveaway. The dinner also featured a variety of delicious desserts prepared by the South Texas College Culinary Arts Program. All proceeds from the Night with the Stars benefit the Valley Scholars Program.

The College's Office of Career & Employer Services held an "on-campus" recruitment event featuring, Guess, Inc. Students interested in full time and/or part time positions with Guess, Inc. were encouraged to sign up for on-campus interviews with representatives from Guess, Inc. at the Mid Valley Campus, Building F Lobby





The Student Activities Offices is encouraging students to participate in the “Burn2Earn Student Fitness Academy,” which is to help build cardiovascular conditioning, strengthen and tone, increase flexibility, control weight gain, and a “how to” for working out at home. The academy meets Mondays and Wednesdays from 4:30-5:30 PM at the Pecan Campus courtyard.

Representatives from the Texas A&M University College of Nursing were available to meet with students interested in their programs. The meeting took place at the College’s University Relations Center on the Pecan Campus.



Representatives from the University of Phoenix were on the Pecan Campus on Wednesday, October 8th in the lobby of Building H to provide information and to answer questions regarding their university.

The **Office of Security** provided **CPR/First-Aid Training** at the College’s Mid Valley Campus on Friday, September 26, 2014 in Building G, Room 288, as well as at the Nursing & Allied Campus on October 10th in Building A, Room 101, and the Starr County Campus on October 24th, Building #, Room 1.504, all from 8:15 AM to 5:00 PM.

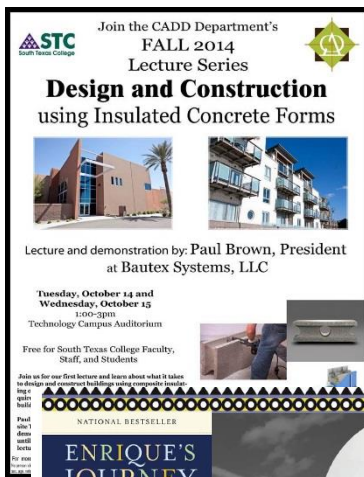


The Office of University Relations, Transfer and Articulation held a Fall College Fair! Over 15 universities were on-hand to provide students with information on transfer, financial aid, and how to continue their educational endeavors in various fields of study. Faculty and staff were also welcome to meet and speak with the representatives from the visiting universities.

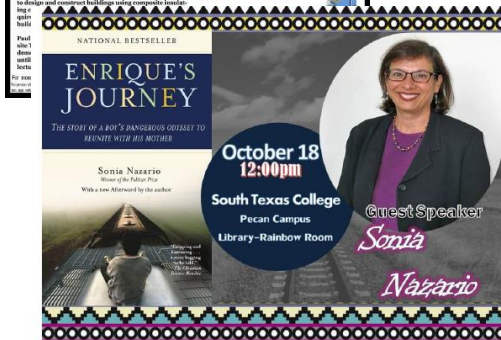
On Saturday, October 18th, the Childcare and the 2014 Childcare & Early Childhood *Across the Curriculum* at the Cooper Center AM to 4:30 PM. Early childhood join their colleagues from across the Rio learning, sharing, and professional growth. breakout sessions, a keynote speaker during opportunities.



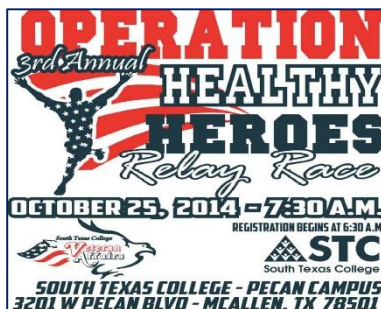
Early Childhood Program held Conference: *Best Practices* on the Pecan Campus, from 8:30 professional were encouraged to Grande Valley for a day of The conference included the lunch break, and networking



The College's Computer Aided Drafting and Design department held the Fall 2014 Lecture Series featuring Paul Brown, President at Bautex Systems, LLC. The discussion was focused on design and construction using insulated concrete forms. Students, faculty and staff were welcome to attend. This event was held at the College's Technology Campus.



The Pecan Campus Library presented Sonia Nazario, guest speaker. She is the author of *Enrique's Journey*, the story about a Honduran boy's journey to find his mother in the United States. A reception was held at 11:00 a.m., followed by a lecture at 12 noon, and a faculty workshop at 1:15 PM.



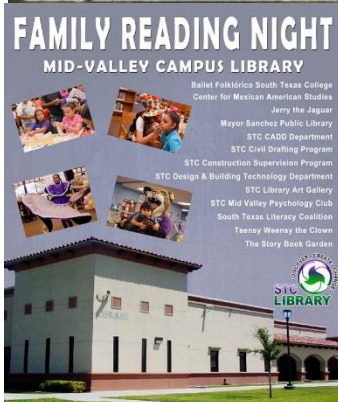
The Office of Student Activities and Wellness held their Third Annual Operation Healthy Heroes Relay Race on Saturday, October 25th at the Pecan Campus. The race began at 7:30 a.m. The entry fee was only \$10 per participant (\$40 per team) and all proceeds will be used to issue scholarships to Veteran students at South Texas College. Medals were awarded to First, Second and Third place for all male, all female and coed (2male/2female) teams.



The Office of Student Activities and Wellness recruited students for the 2014 Fall Coed Softball Tournament as well as the 2014 Fall Soccer League. Interested students were encouraged to participate.

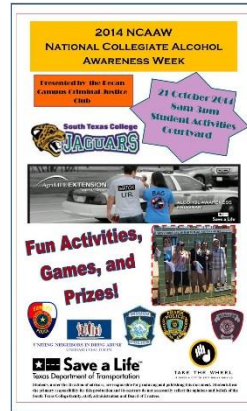


All faculty, staff and students are welcome to join the *Welcome Back Friday* events at the Pecan, Starr County and Mid Valley Campuses from 11:00 a.m. to 3:00 p.m. It's a great time to gather and participate in friendly volleyball challenges with members of various College departments, or simply enjoy lunch and watch the friendly competition.

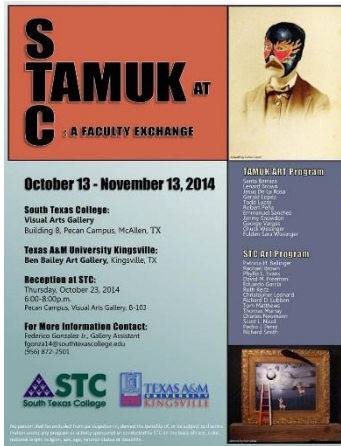


The Mid Valley Campus Library presented “Family Reading Night” on Wednesday October 22nd from 5:30 PM-7:00 PM. This event was packed with activities including a performance by South Texas College’s Center for Mexican American Studies’ Ballet Folklórico, Teensy Weensy the Clown, and participation from the College’s mascot, Jerry the Jaguar, the CADD Department’s Civil Drafting Program, Construction Supervision Program, Design & Building Technology Department, the Library Art Gallery, the Mid Valley Campus Psychology Club, the South Texas Literacy Coalition, and the Story Book Garden.

The Pecan Campus Criminal Justice Club October 21, 2014 as part of National Week. The event was held in the Student Pecan Campus and included a variety of but most importantly was the information Department of Transportation representatives, enforcement agencies who participated in this



presented and event on Collegiate Alcohol Awareness Activities Courtyard on the activities for students to enjoy, provided by the Texas as well as the numerous law event for students.



S TAMUK AT C
A FACULTY EXCHANGE

October 13 - November 13, 2014

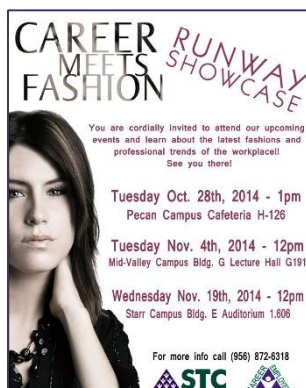
South Texas College:
Visual Arts Gallery
Building B, Pecan Campus, McAllen, TX

Texas A&M University Kingsville:
Ben Bailey Art Gallery, Kingsville, TX

Reception at STC:
Thursday, October 23, 2014
6:00-8:00pm
Pecan Campus, Visual Arts Gallery, G-103

For More Information Contact:
Federico Gutierrez Jr., Gallery Assistant
fgutierrez@stctexascollege.edu
(956) 872-7563

The College's University-South Texas College collaborated in an exchange of art exhibits. The TAMUK artwork is on display from October 13th through November 13th in the Visual Arts Gallery on the Pecan Campus, which included a reception on October 23rd. The South Texas College art faculty's artwork is being exhibited at the Ben Bailey Art Gallery located at TAMUK. The goal of the exchange is to promote awareness of the role of art and music in our society, and to provide an environment that encourages lifelong learning, promotes cultural awareness and enhances the quality of life in Hidalgo and Starr counties.



CAREER MEETS FASHION RUNWAY SHOWCASE

You are cordially invited to attend our upcoming events and learn about the latest fashions and professional trends of the workplace! See you there!

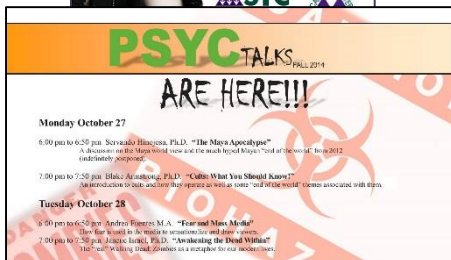
Tuesday Oct. 28th, 2014 - 1pm
Pecan Campus Cafeteria H-126

Tuesday Nov. 4th, 2014 - 12pm
Mid-Valley Campus Bldg. G Lecture Hall G191

Wednesday Nov. 19th, 2014 - 12pm
Starr Campus Bldg. E Auditorium 1.606

For more info call (956) 872-6318

The Office of Career & Employer Services presented "Career Meets Fashion" events at the Pecan, Mid Valley and Starr County Campuses. These events are for students to see the latest fashion trends that are appropriate for the workplace environment.



PSYC TALKS ARE HERE!!!

Monday October 27

6:00 pm to 6:20 pm. **Sorensen, Huiang, Ph.D. "The Maya Apocalypse"**
A discussion with Huiang about the book "The Maya Apocalypse" and the current state of the world.

7:00 pm to 7:20 pm. **Blair, Alvarado, Ph.D. "Culture What You Should Know"**
A discussion with Blair about the book "Culture What You Should Know" and the current state of the world.

Tuesday October 28

6:00 pm to 6:20 pm. **Andres, Figueroa, M.A. "Fear and Mass Media"**
A discussion with Andres about the book "Fear and Mass Media" and the current state of the world.

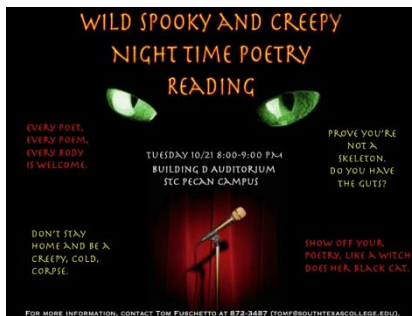
7:00 pm to 7:20 pm. **Francis, Lark, Ph.D. "Awakening the Dead Villains"**
A discussion with Francis about the book "Awakening the Dead Villains" and the current state of the world.

The Psychology Department at South Texas College held "PSYC Talks" on October 27th and 28th at the Pecan, Mid Valley and Starr County campuses. These events were free and open to all students and the public.

As part of National Depression Awareness Month, the Nursing & Allied Health Counseling Center offered “depression screenings” to all students, faculty and staff on Wednesday, October 15th from 11:00 AM to 1:00 PM. The screenings were not diagnostic, but rather to be used for self-awareness.



On October 14th, the Office of Student Activities and Wellness presented “Movie Night” at all College Campuses. The featured movie was *X-Men Days of Future Past*. It was a great opportunity for students to enjoy a movie on campus with their friends and family.



WILD (Writers in Literary Discussion) held a Spooky and Creepy Night Time Poetry Reading on Tuesday, October 21st at the College’s Pecan Campus Auditorium. The night included live mic poetry and music. The event was free and open to the public.



On Wednesday, October 22nd, WILD presented the silent film; *The Haunted Castle*” at the Pecan Campus Auditorium, from 3:00-4:00 PM.




The Political Science Club and Coalition of Independent Student Voters at South Texas College held a “Dunk-A-Vote” event at the Pecan, Mid Valley, and Nursing. It was a fun time for students to try to dunk one of the many faculty members who joined in the fun and agreed to get “dunked.”



South Texas College Student Organizations will hold Fall Festivals starting October 23rd at the Starr County Campus as well as the Mid Valley Campus on October 29th and the Pecan Campus on October 30th. These events provide great fun for South Texas College students, their families, friends and all of the College faculty and staff who provide support for these events.

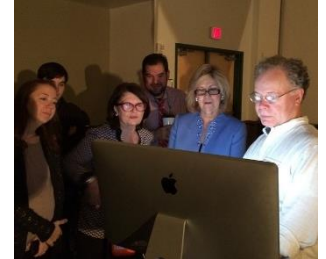
- I provided a welcome and overview of South Texas College to a delegation from Our Lady of the Lake University. The University is looking to expand their presence in the Rio Grande Valley and build-off of their existing programs in the La Feria/Harlingen area. They are considering offering more courses at their La Feria site (and even possibly building new buildings for classrooms) and were here to tour the area to determine the scope of their potential expansion. Along those lines, they wanted to reach-out to the existing partners in Higher Education to learn more about potential collaborative work. This was the purpose for reaching out to South Texas College. The delegation included President Slater as well as:
 - Dr. Dwayne Banks - Chief Operating Officer and the Dean of the School of Business and Leadership
 - Dr. Marcheta Evans - Vice President of Academic Affairs and Dean of Professional Studies & Worden School
 - Dr. Laney – Dean of the College of Arts and Sciences
 - Mr. Dan Yoxall – Vice President of Communications and Marketing
 - Mr. Joe Deck – Chief Technology Officer
 - Dr. Jeff Kantor – Vice President of Strategy and Research
 - Ms. Veronica Reyna – Director of Graduate Admissions
 - Ms. Ann Gomez – Director of Communications and Marketing

- Participated in a conference call with other panelists on the “School, Community, and State Policy Approaches to Patching the Leaky Education Pipeline” session at the Hobby Policy Summit coordinated by the Center for Public Policy Priorities, to go over the session format and topics for discussion in more detail. The Summit was held on October 14-16th in Austin. Other panelists included: Danita McAnally, Chief of Planning and Advancement, Amarillo College, Nichole Lopez-Riley, Director, Target Graduation at United Way for Greater Austin, and Melissa Henderson, Postsecondary Policy Analyst, Educate Texas. The moderator was Jennifer Lee Grimes Etheridge, Director of Professional and Organizational Development, Research Associate, Research and Planning, Center for Public Policy Priorities.

- Met with Dr. Narciso Garcia, PSJA ISD, and Sofia M. Peña, Director of Early College High Schools at South Texas College to review the status of four students from PSJA currently enrolled in dual credit. A degree audit on all four students was performed and the concerns raised were addressed.
 - Attended the 2nd Annual Inno Conference, a bi-national collaborative effort between South Texas College and the Instituto Internacional de Estudios Superiores in Reynosa, Mexico. This year's conference focused on energy innovation and took place on Friday, Sept. 26, from 8:30 a.m. to 2:15 p.m. at the STC Technology Campus in McAllen. The Conference provided an opportunity to learn how energy innovation will economically impact our region. The Inno Conference provided entrepreneurs and the business community with information about the new cross-border economic opportunities that could arise. They will be able to develop new business plans and adjust existing strategies for potential opportunities. The conference consisted of speakers, sessions and student workshops, all designed to foster cross-border economic development.
- 
- Attended a Regional Transportation Planning Meeting coordinated by Tom Logan, Director of Valley Metro. Joining the discussion were Wanda F. Garza, Interim Vice President for Student Affairs and Enrollment Management, Dr. Guy Bailey, President of UTRGV. The purpose for this meeting was to discuss strategies for expanding the service to be a route that serves all higher education institutions in the Valley. We are especially interested in developing an inter-connecting route between the University of Texas Pan American and South Texas College.
 - Met with Juan Carlos Aguirre, Associate Dean, Continuing, Professional and Workforce Education and Carlos L. Margo, Interim Associate Dean, The Office of Industry Training and Economic Development, to review and discuss which area is best suited to provide services to the energy sector. We all agreed the energy sector would be in Carlos Margo's area.
 - Coordinated a conference call with key staff in collaboration with the Office of Congressman Ruben Hinojosa, and the Department of Labor (DOL). A representative from the DOL shared information on a new grant that has not yet been publicly announced. The grant will be an opportunity to establish and/or re-establish apprenticeship programs, in the Industrial Maintenance and in the nursing field. Key staff have begun the leg work so that we are ahead of the game when the grant is officially announced.
 - Participated in meeting to review and discuss a demand letter for Chubb Insurance regarding the hail damage claim.
 - Participated as a member of the search committee for the Starr County Campus Administrator position. The committee reviewed the applications and selected those to be called for interviews

with the committee. The committee will narrow the search and arrange for on-campus interviews at open forums.

- Attended the STARS Scholarship Extravaganza held at the State Farm Arena.
- I stopped by the Public Relations and Marketing campaign photo shoot to meet with student volunteers and staff working on this project, and to get a firsthand view of their work.
- Attended the Senate Higher Education Committee Hearing at the Capitol in Austin, to provide testimony on South Texas College's strategies for strengthening the alignment between high school and higher education.
- Met with the College's External Auditor, Mr. Aaron Rios, for our annual meeting to review issues or concerns at the College.
- I attended the PSJA ISD Board meeting on October 20th to join Dr. Daniel King, Superintendent, in recognizing staff from his district who participated in the South Texas College/PSJA College Advising Training Program. I extended my appreciation to the Board for supporting the very special partnership between PSJA and South Texas College. Dr. King's goal is to train every counselor to be a college advisor. In an effort to blend the cultures of the school district and the College, Dr. King proposed that PSJA counselors be trained as South Texas College Advisors:
 - 19 PSJA counselors were trained; and
 - 5 counselors from PSJA are on loan as South Texas College advisors for PSJA high schools.



Training was provided by a team from South Texas College led by Nancy Garcia, Director of Comprehensive Advising & Mentoring Services:

- Used the National Academic Advising Association's (NACADA) standards, core values and training videos as a pillar for the two week training;
 - Provided counselors with a solid foundation of the enrollment process, assessment, placement, and financial aid requirements so that they can advise students accordingly;
 - Counselors learned about student support services and resources (i.e. CLE, Online Advising Tools, Library, Counseling etc.) available at South Texas College that contribute to student success, achievement and completion;
 - Counselors shadowed advisors and had the opportunity to put into practice what they have learned;
 - Combined and strengthened efforts to ensure students are following a career pathway.
- Participated in meetings with the College's Achieving the Dream Coaches Site Visit. Dr. Martha Ellis and Dr. Terri Manning met with key College staff involved in the Achieving the Dream grant

initiative at South Texas College. The agenda included a discussion on retention and persistence, the four strategic focus areas, and a meeting with the College's Executive Staff, and data teams. The meetings were held in the Board Room and Rainbow Room on the Pecan Campus.

- Attended the Association of Community College Trustees Congress in Chicago. South Texas College Trustees Ms. Rose Benavidez, Mr. Gary Gurwitz, and Mr. Rodriguez, also attended and we jointly presented the following sessions:
 - **The Pros and Cons of Board Committees to Improve the Governance Role of a Board of Trustees**
 - **Building Toward the Future – Effective Strategies for Successfully Passing a Bond and Maintenance Tax Election During Challenging Economic Times**
 - **Pathway to College Completion through Dual Enrollment at South Texas College and Monroe County Community College**
 - **Creating a College-Going Culture as a Successful, Proactive Strategy to Combat Poverty**

Dr. Anahid Petrosian Atamian, Interim Vice President for Academic Affairs, Dr. Ali Esmaili, Dean for Math, Science and Bachelor Programs and I also presented a session titled: **Increasing the Educational Attainment Level in Your Region through Applied Baccalaureates Offered through Your Community College.**

- Coordinated the agendas and back-up materials for the Education and Workforce Innovation Committee meeting, Facilities Committee meeting, Finance Committee meeting, Special Board meetings, and Regular Board meeting.
- Continue to meet with STC's President's Cabinet to:
 - facilitate administrative planning on a weekly basis;
 - review and address issues of concern;
 - formulate strategic direction and problem solving; and
 - provide communication and feedback among the President and the Vice Presidents
- Continue to meet with STC's President's Administrative Staff. The purpose of the President's Administrative Staff is to communicate information to all administrative staff and to provide the opportunity for discussion on areas of concern regarding the leadership and strategic direction for the College.
- Continue to meet with the College's Vice Presidents, Administrators, Planning and Development Council, Coordinated Operations Council, and other Councils to address immediate concerns and issues facing the College. Topics covered from September 23rd thru October 28, 2014 included:
 - Update on Fall 2014 Enrollment
 - Paid
 - Non-Paid

- Discussion of Efforts to Organize Roll Back Election Against Voter-Approved Bond Election Tax Increase
- Discussion on Use of \$25,000 Check from the 2013 Leah Meyer Austin Award
- Discussion and Feedback on New Logo and Branding Strategy
- Discussion of Enrollment and Persistence Data Presented at College-Wide Professional Development Day
- Discussion on JAG Mobile Application Launch
- Discussion of Persistence Data Presented at College-Wide Professional Development Day
- Discussion of Efforts to Organize Roll Back Election Against Voter Approved STC Bond Election Tax Increase
- Discussion and Feedback on New Logo and Branding Strategy
- Recognition of Public Relations & Marketing Staff Medallion Awards
- Discussion of Efforts to Organize a Tax Rollback Election
- Discussion of Institutional Commitment and Challenges Related to Dual Enrollment
- Discussion of Request for Feedback by *Jobs for the Future* on Partnership Between South Texas College and PSJA
- Discussion of Vacant Positions Report
- Discussion of Financial Projections
- Discussion of Ribbon Cutting Ceremony for the Rio Grande City Collegiate Prep for ECHS, on Friday morning, October 10, 2014
- Update on Petition Calling for a Rollback Election
- Discussion of Chair and Dean Involvement in Helping Determine Employment, Military Service, or Higher Education Enrollment of Graduates for CB Report
- Review and Discussion of TACC Enrollment Survey-*After Census Date* Results
- Discussion of Need for Policy Revision to Address Degrees Must be From Regionally Accredited Higher Education Institutions:
 - to be eligible for the educational supplement
 - to meet job description degree requirements
- Discussion of Initiatives as Possible Contributors to Increased Persistence
- Review of Mandatory Harassment Training Scheduled Friday, October 10th in Room H-216 from 2:00 – 4:00 PM
- Review Vacant Positions Report
- Discussion and Feedback on New Logo and Branding Strategy
- Discussion of Title IV Sexual Assault Awareness and Prevention
- Update on Business Impact Analysis: Next Steps
- Discussion of Procedures and Timelines for Posting Vacant Positions
- Discussion of Vacant Positions for FY 2014-2015
- Update on Efforts to Organize a Tax Rollback Petition to Reduce STC's Voter Approved Tax Rate
- Discussion of Parking and Traffic Capacity for Pecan Campus
- Discussion of Selected Priority Projects for Bond Construction
- Discussion of Delayed Construction Timeline for Bond Construction Projects

- Discussion of New Traditional Student Enrollment Projections for:
 - NAH Campus Expansion
 - STEM Building- Pecan Campus
 - Health Professions and Science Center- Starr County Campus
 - Health Professions and STEM Building- Mid Valley Campus
- Discussion of Non Bond Funded Equipment for New Facilities
- Report on the 9th Annual “A Night With The Stars”
- Presentation on NAAMREI and Institute for Advanced Manufacturing
- Update on Senate Higher Education Committee Hearing Regarding Community Colleges Offering Bachelor Degrees
- Discussion and Feedback on Sexual Harassment, Discrimination, and Retaliation Training
- Discussions of Topics for Future Training Sessions
- Discussion of Appropriate Office for Title IX Coordination
- Review and Discussion of Policy 4212: Sexual Harassment
- Review and Discussion of Policy Revisions:
 - 4214: Violence in the Workplace
 - 4154: Documentation of Education for Placement on Salary Schedule
 - 6312: College Employed and Commissioned Peace Officers
- Update on Efforts to Organize a Petition to Require a Rollback Election on STC’s Tax Rate
- Discussion on JAG Mobile Application Launch
- Discussion of Persistence Data Presented at College-Wide Professional Development Day
- Discussion of Efforts to Organize Roll Back Election Against Voter Approved STC Bond Election Tax Increase
- Discussion and Feedback on New Logo and Branding Strategy

*Education and Workforce
Development Committee
Minutes
October 14th, 2014*

**South Texas College
Board of Trustees
Education and Workforce Development Committee
Ann Richards Administration Building, Board Room
Pecan Campus
Tuesday, October 11, 2014
@ 3:30 p.m.
McAllen, Texas**

MINUTES

The Education and Workforce Innovation Committee Meeting was held on Thursday, September 11, 2014 in the Ann Richards Administration Building Board Room at the Pecan Campus in McAllen, Texas. The meeting commenced at 3:40 p.m. with Mrs. Graciela Farias presiding.

Members present: Mrs. Graciela Farias, Dr. Alejo Salinas, Jr., and Mr. Gary Gurwitz

Other Trustees present: Mr. Paul R. Rodriguez and Ms. Rose Benavidez

Members absent: None

Also present: Dr. Shirley A. Reed, Dr. Anahid Petrosian, Dr. Ali Esmaeili, Ms. Delia Magdaleno, Ms. Lee Grimes, and Mr. Andrew Fish.

Approval of Minutes for September 11th, 2014 Committee Meeting

Upon a motion by Mr. Gary Gurwitz and a second by Mrs. Graciela Farias, Minutes for the Education and Workforce Development Committee meeting of September 11th, 2014 were approved as written. The motion carried.

Review and Presentation on the Study Abroad Program at South Texas College

Dr. Anahid Petrosian, Vice President for Academic Affairs, introduce Dr. Ali Esmaeili, Dean for Math, Science, Bachelor Programs, and University Relations. Dr. Esmaeili introduced Ms. Delia Magdaleno, Chair of the World Languages Department, Coordinator for the Study Abroad Program for the University Relations department.

Ms. Magdaleno provided the Committee with a review of the Summer 2014 Study Abroad Program, which included a student trip to Seville, Spain.

This presentation included a review over:

- the Summer 2014 Study Abroad Program,
- Study Abroad Program Curriculum
- an overview of the student experiences provided in these programs, and
- a look ahead at the plans for Summer 2015.

Study Abroad Program provide excellent opportunities for students to earn college credit while experiencing international locales that highlight the artistic, literary and historical significance of related cultures.

The 2014 STC Study Abroad Program in Seville, Spain was available for a package cost of \$4,100 per student. The fifteen day program included excursions to Seville, Granada, Córdoba, and Madrid. The package included airfare, lodging, meals, medical insurance, tuition and fees for one course (students could elect to take one additional course), and excursions. Students were individually responsible for their full costs, and payment plans were offered to help students meet this responsibility.

Curriculum for the courses taught as part of the Study Abroad Program was tied to the same course objectives as those taught traditionally. Students were held to the same rigor, and between two weeks abroad and two further weeks at the College upon their return, they were required to fully complete course requirements before credits were awarded.

This item was for the Committee's information and feedback to staff, and no action was requested.

Review and Presentation on the US Department of Education Grant "STC In FOCUS – Focus on Creating Ultimate Student Success"

Dr. Anahid Petrosian, Vice President for Academic Affairs, introduced Ms. Lee Grimes, Associate Dean of Professional and Organizational Development to present on the "STC In Focus – Focus on Creating Ultimate Student Success" Grant from the US Department of Education.

This grant was issued under the "Hispanic Serving Institutions" Title V Grant program, and would help South Texas College further develop and implement programs to provide greater access and student success in this region. The grant would be disbursed over five years, and would total approximately \$2.5 million over that period.

The grant would fund the development of Active Learning Classrooms, including the FOCUS Academy preparation to help faculty best use this innovative strategy to increase student participation and success. It would also provide for furniture and technology to enhance the Active Learning Classroom experience for students.

The grant would also fund strategic improvements to the faculty advising program, including the hiring of a Faculty Advising Coordinator and the development and implementation of a new Faculty Advising Program.

The third aspect of the grant was the development of new technology infrastructure to help broadcast face-to-face classes online and campus-to-campus. This will help students at the Starr County Campuses access the Nursing & Allied Health programs without the need for a regular commute.

Ms. Grimes provided detail on each of the programs supported by this FOCUS Grant, and responded to questions and comments on this exciting opportunity to provide innovative opportunities for the College's students.

This presentation was for the Committee's information and feedback, and no action was requested.

Adjournment

There being no further business to discuss, the Education Workforce Development Committee Meeting of the South Texas College Board of Trustees adjourned at 4:32 p.m.

I certify that the foregoing are the true and correct minutes of the October 14, 2014 Education and Workforce Development Committee of the South Texas College Board of Trustees.

Mrs. Graciela Farias
Chair

*Facilities Committee
Minutes
October 14th, 2014*

**South Texas College
Board of Trustees
Facilities Committee
Ann Richards Administration Building, Board Room
Pecan Campus
Tuesday, October 14th, 2014
@ 4:30 PM
McAllen, Texas**

MINUTES

The Facilities Committee Meeting was held on Tuesday, October 14th, 2014 in the Ann Richards Administration Building Board Room at the Pecan Campus in McAllen, Texas. The meeting commenced at 4:41 with Mr. Gary Gurwitz presiding.

Members present: Mr. Gary Gurwitz, Dr. Alejo Salinas, Jr., Mr. Paul R. Rodriguez, Ms. Rose Benavidez, Mrs. Graciela Farias, and Mr. Jesse Villarreal

Members absent: Mr. Roy de León

Also present: Dr. Shirley A. Reed, Mr. Chuy Ramirez, Mrs. Mary Elizondo, Mr. Gerry Rodriguez, Mrs. Becky Cavazos, Mrs. Brenda Balderaz, Dr. Jim Broaddus, Mr. Gilbert Gallegos, Mr. Rolando Garcia, Ms. Diana Bravos, Mr. Hyde Griffith, Mr. Tom Dearmin, Mr. Jose A. Delgado, and Mr. Andrew Fish

Approval of September 11, 2014 Facilities Committee Meeting Minutes

Upon a motion by Mrs. Graciela Farias and a second by Dr. Alejo Salinas, Jr., the Minutes for the Facilities Committee Meeting of September 11, 2014 were approved as written. The motion carried.

Executive Session:

The South Texas College Board Facilities Committee convened into Executive Session at 4:42 p.m. in accordance with Chapter 551 of the Texas Government Code for the specific purpose provided in:

➤ Section 551.071, Consultations with Attorney

1. Review and Recommend Action on the Issuance of Final Demand Letter for Hail Damage Insurance Claims

Open Session:

The South Texas College Board Facilities Committee returned to Open Session at 5:00 p.m. No action was taken in Executive Session.

Review and Recommend Action on the Issuance of Final Demand Letter for Hail Damage Insurance Claims

Staff has tendered to Chubb Insurance responses to all of Chubb's requests for clarifications and additional information supporting STC's claim for damages resulting from the March 2012 hail storm.

The following chart contains a breakdown of the total costs for repairs including the repairs caused by the hail storm and additional owner requested repairs. Also, included is the amount currently received from Chubb and STC's deductible. As of August 5, 2014 Chubb has confirmed receipt of all STC's final documentation and has indicated that additional expenses in the amount of \$427,401.35 may be paid if adequate supporting documentation is provided. If these additional expenses are covered, an amount of \$2,279,028.53 may remain as a potential disputed amount. If the additional amount is not paid, the remaining disputed amount will remain at \$2,706,429.88.

The total hail damage repair costs may be summarized as follows:

Summary of Hail Storm Damage Insurance Claims	
Total Hail Damage Repair Costs	\$8,010,314.14
Less: Owner Requested Repairs	332,688.26
Net Hail Damage Repair Costs	7,677,625.88
Less: Deductible	1,698,382.63
Less: Insurance Payments Received	3,272,813.37
Difference – Pending Claims	\$2,706,429.88

Note: Table does not include the additional pending payment amount of \$427,401.35 from Chubb

STC legal counsel has previously received an agreement from Chubb that it would waive any statute of limitations claim until a formal response to STC's figures has been provided. The final figures are contained herein and legal counsel proposed a formal demand to Chubb from the College.

The Board would be asked to approve and authorize Legal Counsel to issue a demand letter to Chubb Insurance. Legal Counsel has provided a letter, as a confidential document under separate cover, for review by the Committee and recommendation for Board approval. The demand letter would be sent to Chubb after Board approval.

Upon a motion by Mr. Paul R. Rodriguez and a second by Mr. Jesse Villarreal, the Facilities Committee recommended Board approval and authorization for Legal Counsel to issue a demand letter to Chubb Insurance for the current disputed amount of \$2,706,429.88 as presented. The motion carried.

Update on Status of 2013 Bond Construction Program

Mr. Gilbert Gallegos with Broaddus & Associates provided an update on the status of the 2013 Bond Construction Program. This was for the Committee's information and feedback to staff and the construction program management firm, and no action was requested.

Review and Recommend Action on Construction Manager-At-Risk Construction Procurement Method for the 2013 Bond Construction Program

Approval of the Construction Manager-At-Risk Construction Procurement Method for the 2013 Bond Construction Program will be requested at the October 28, 2014 Board meeting.

Dr. Jim Broaddus with Broaddus & Associates attended the October 14, 2014 Board Facilities Committee meeting to provide a presentation on the construction procurement methods available to STC and a recommendation on the use of the Construction Manager-At-Risk (CM@R) method. The presentation reviewed the pros and cons of each method and some detail on why the CM@R was recommended for STC's Bond Construction Program.

It was proposed that the CM@R method be used for all Bond Construction projects except for La Joya Jimmy Carter Teaching Site Improvements. A copy of the presentation prepared by Broaddus & Associates was included in the packet.

Upon a motion by Mr. Gary Gurwitz and a second by Ms. Rose Benavidez, the Facilities Committee recommended Board approval of the use of the Construction Manager-At-Risk Construction Procurement Method for the 2013 Bond Construction Program as presented. The motion carried.

Review and Recommend Action on Standard Owner/Architect Agreement for 2013 Bond Construction Program

Approval of the Standard Owner/Architect Agreement for the 2013 Bond Construction Program will be requested at the October 28, 2014 Board meeting.

Broaddus & Associates has assisted STC staff and STC legal counsel with preparation of a proposed Standard Owner/Architect agreement to be used for STC's 2013 Bond Construction Program. The proposed agreement was designed to be used when the College would employ the services of a **Construction Program Manager** and the **Construction Manager at Risk**.

A draft of the proposed Owner/Architect agreement was provided for the Committee's review. The agreement was developed to identify the Owner's and Architect's responsibilities when the construction program included the use of a **Construction Program Manager** and a **Construction Manager at Risk** as the general contractor.

Some Bond projects may not require the **Construction Manager at Risk** procurement method and therefore the more typical **Competitive Sealed Proposals** procurement method could be used. In the cases where the **Competitive Sealed Proposals** method was used, STC's standard AIA Owner/Architect agreement could be used.

Broaddus contacted the Board approved firms and provided them with a draft copy of the proposed agreement. Providing each firm with the draft agreement allowed B&A to begin negotiation on the scope of service and proposed fee. With Board approval of the proposed agreement in October 2014, B&A would finalize negotiations and prepare for Board approval of fees in November 2014. Dr. Jim Broaddus and Mr. Gilbert Gallegos from Broaddus & Associates attended the October 14, 2014 Board Facilities Committee meeting to review the draft contract and address questions by the Committee.

Upon a motion by Mr. Gary Gurwitz and a second by Dr. Alejo Salinas, Jr., the Facilities Committee recommend for Board approval at the October 28, 2014 Board meeting, the use of the Standard Owner/Architect Agreement, substantially in the form presented, for the 2013 Bond Construction Program. The motion carried.

Review and Recommend Action on 2013 Bond Construction Program Priority Projects

Approval of 2013 Bond Construction Program Priority Projects will be requested at the October 28, 2014 Board meeting.

Broaddus & Associates and STC staff has reviewed the overall Bond Program schedule to identify the construction programs which would provide the most desirable space and the longest design and construction schedules, in an effort to determine which projects should get started first.

Broaddus & Associates provided a table outlining the projects which were identified as the first group to begin design work with each respective architect. The available Bond construction funds would be used cover the costs of design and construction services for these four projects.

The Thermal Plants, Parking Lots, and Site Improvement projects for each campus would be added to this list of priority projects once the MEP and civil engineers were approved.

Upon a motion by Mr. Gary Gurwitz and a second by Mr. Paul R. Rodriguez, the Facilities Committee recommended Board approval of the 2013 Bond Construction Program Priority Projects as presented. The motion carried.

Review and Recommend Action on Short List of Mechanical, Electrical, and Plumbing (MEP) Engineering Firms and Assignments of Construction Projects for the 2013 Bond Construction Program

Approval of short list of Mechanical, Electrical, and Plumbing (MEP) engineering firms and assignments of construction projects will be requested at the October 28, 2014 Board meeting.

Broaddus & Associates representatives along with STC staff attended the October 14, 2014 Facilities Committee meeting to provide an update on the evaluation of MEP firms' statements of qualifications submitted for the 2013 Bond Construction Program.

On September 23, 2014 a total of nine (9) submittals were received in response to STC's solicitation of qualifications from MEP engineers for the 2013 Bond Construction Program. A team consisting of three Broaddus & Associates representatives and six STC staff members completed the evaluations of the submittals.

Evaluation of the MEP engineers' qualifications was completed and Broaddus & Associates prepared a recommendation on how the Bond construction projects could be assigned to firms based on evaluation of the information provided. This recommendation was based on the following general requirements:

1. Overall evaluation of each firm's qualifications, experience, and references
2. Ranking of each firm after evaluations
3. Project preferences as identified by each firm
4. Each firm's unique experience and areas of specialization
5. Each firm's capacity to manage each project size

The evaluation team provided spreadsheets summarizing the information gathered during their review and the proposed project assignments resulting from the evaluations. The Committee was asked to choose to recommend Board approval of

the recommended firms and project assignments or to recommend the firms be interviewed prior to approval of the project assignments.

The Facilities Committee noted that unlike the Pecan Campus and Mid Valley Campus building projects, the MEP firm recommended for 2013 Bond Construction Program Starr County Campus Thermal Plant was different than the firm proposed for the larger building on that campus and therefore requested that MEP engineer for the larger building be considered for the Thermal Plant Project.

Mr. Gilbert Gallegos with Broaddus & Associates confirmed that the MEP engineer proposed for the large building project was qualified for the Thermal Plant work and could be considered. The Facilities Committee asked whether the recommendation could be revised to assign the Thermal Plant project at the Starr County Campus to Sigma HN Engineers, PLLC, and Mr. Gallegos confirmed that this would be consistent with the evaluation committee's appraisal of qualifications.

Upon a motion by Mr. Gary Gurwitz and a second by Mr. Jesse Villarreal, the Facilities Committee recommended Board approval of the recommended MEP engineering firms and project assignments as amended. The motion carried.

Review and Recommend Action on Additional Services with Broaddus & Associates for Implementation of Building Information Modeling (BIM) Facilities Management Component for 2013 Bond Construction Program

As new technology for facilities management becomes available, STC staff has learned the benefits of architectural and engineering drawings which could be prepared in three dimension to better identify building components, their locations, and specific information on manufacturers and model numbers through the use of BIM FM for Facilities Management after construction is completed. It was the recommendation of staff that STC begin with the 2013 Bond Construction Program to incorporate the use of BIM FM by all future architects and engineers to provide STC with construction documents which can support these benefits.

After a presentation by Broaddus & Associates, the Facilities Committee requested further investigation, including reference checks from peer institutions that have implemented BIM technology, before making any recommendation for Board action. No action was taken by the Facilities Committee.

Review and Recommend Action on Contracting Architectural Design Services for the Pecan Campus Student Support Services Building Admissions Office, Welcome Center, and Main Entrance Improvements

Approval to contract architectural services for the design of the Pecan Campus Student Support Services Building Admissions Office, Welcome Center, and Main Entrance Improvements will be requested at the October 28, 2014 Board meeting.

Funds for this project were included in the FY 2014-2015 construction budget. The floor plan, included in the packet, depicted the locations for the proposed design and construction work. These improvements would provide increased efficiency in the use of interior space and improvements to the main building entrance. The interior spaces affected by these improvements included the Admissions Office and the Student Welcome Center. The proposed changes would result in more efficient services to students and more effective work spaces for staff.

The improvements to the exterior main entrance were intended to enhance the area and define it as the building's main entrance. Design and construction would focus on extension of the exterior cover up to the main entry doors, reconfiguration and repair of sidewalks, entry signage, and landscaping.

Five architectural firms listed below were previously approved by the Board for one year to provide professional services as needed for projects under \$500,000.00.

1. Boultinghouse Simpson Gates Architects
2. EGV Architects, Inc.
3. ERO Architects, Inc.
4. PBK Architects
5. Rike Ogden Figueroa Alex Architects

Since this list of architectural firms was approved at the June 26, 2014 Board meeting, none of these firms have been contracted for on-call services. Staff recommended starting project assignments alphabetically from this new list, therefore Boultinghouse Simpson Gates Architects was recommended as the firm to provide these services. This firm designed the original building and was familiar with the building plans.

Funds in the amount of \$250,000 were budgeted in the FY 2014-2015 construction budget for the modifications and \$37,500 was budgeted for design services with final amount to be negotiated.

Project Budget		
Budget Components	Amount Budgeted	Actual Cost
Design	\$37,500	Actual design fees are estimated at \$18,000 (7.25%) and will be finalized during contract negotiations.
Construction	\$250,000	Actual cost will be determined after the solicitation of construction proposals.

Staff would negotiate design fees with architect to determine an acceptable amount.

Upon a motion by Mr. Gary Gurwitz and a second by Mr. Paul R. Rodriguez, the Facilities Committee recommended Board approval to contract architectural services with Boultinghouse Simpson Gates Architects for the design of the Pecan Campus Student Support Services Building Admissions Office, Welcome Center, and Main Entrance Improvements project as presented. The motion carried.

Review and Recommend Action on Contracting Architectural Design Services for the Pecan Campus Art Building Covered Area for Ceramic Arts

Due to time constraints, Dr. Reed and Mr. Gerry Rodriguez advised the Facilities Committee that this item could be delayed until the following month. The Committee did not deliberate or take action on this agenda item.

Review and Recommend Action on Contracting Civil Engineering Design Services for the Pecan Plaza Asphalt Resurfacing Along Back Side of Buildings

Due to time constraints, Dr. Reed and Mr. Gerry Rodriguez advised the Facilities Committee that this item could be delayed until the following month. The Committee did not deliberate or take action on this agenda item.

Review and Recommend Action on Contracting Civil Engineering Design Services for the Pecan Campus Achieve Early College High School Driveway and Sidewalk Relocation

Due to time constraints, Dr. Reed and Mr. Gerry Rodriguez advised the Facilities Committee that this item could be delayed until the following month. The Committee did not deliberate or take action on this agenda item.

Review and Recommend Action on Contracting MEP Engineering Design Services for the Pecan Plaza Police Department Electrical Generator

Approval to contract Mechanical, Electrical, and Plumbing (MEP) engineering design services for the Pecan Plaza Police Department Electric Generator will be requested at the October 28, 2014 Board meeting.

With the relocation of STC's Police Department to the Pecan Plaza site, it was recommended that an electrical generator be installed to support the department's operations when electrical services were not available. The installation of a generator would ensure that police operations would continue during times of bad weather or other events which may interrupt the electrical service to the building.

The electrical power provided by the generator would provided continuous support for two way radios, telephones, dispatch systems, and other telecommunication services. Maintaining the electrical service for these communication services would allow police officers and security staff to communicate between all STC campuses.

The three MEP engineering firms listed below were previously approved by the Board for one year to provide professional services as needed for projects under \$300,000.00.

1. DBR Engineering Consultants, Inc.
2. Halff Associates, Inc.
3. Sigma HN Engineers, PLLC

Since this list of MEP firms was approved at the June 26, 2014 Board meeting, only one of these firms was contracted for on-call services. The next recommendation was based on an alphabetical selection, placing Halff Associates as the firm to provide these services.

Funds were budgeted in the FY 2014-2015 construction budget for design and construction of these improvements, with final amount to be negotiated.

Project Budget		
Budget Components	Available Funds	Estimated Cost
Design	\$10,000	Actual design fees are estimated between \$8,000 and \$9,000 and will be finalized during contract negotiations.
Construction	\$100,000	Actual cost will be determined after the solicitation of construction proposals.

Upon a motion by Mr. Gary Gurwitz and a second by Ms. Rose Benavidez, the Facilities Committee recommended Board approval to contract Mechanical, Electrical, and Plumbing (MEP) engineering design services with Halff Associates for the Pecan Plaza Police Department Electric Generator as presented. The motion carried.

Review and Recommend Action on Contracting Construction Services for the Nursing & Allied Health Campus West Wing Medical Labs Flooring Replacement

Approval to select a contractor for the Nursing & Allied Health Campus West Wing Medical Labs Flooring Replacement will be requested at the October 28, 2014 Board meeting.

Due to time constraints, Dr. Reed and Mr. Gerry Rodriguez advised the Facilities Committee that this item could be delayed or taken to the Board without a Committee recommendation. The Committee did not deliberate or take action on this agenda item.

Review and Recommend Action on Contracting Construction Services for the Technology Campus Building B Flooring Replacement

Approval to select a contractor for the Technology Campus Building B Flooring Replacement will be requested at the October 28, 2014 Board meeting.

Due to time constraints, Dr. Reed and Mr. Gerry Rodriguez advised the Facilities Committee that this item could be delayed or taken to the Board without a Committee recommendation. The Committee did not deliberate or take action on this agenda item.

Review and Recommend Action to Reject and Re-solicit Construction Proposals for the Starr County Campus Buildings A and B Carpet Replacement

Approval to reject and re-solicit construction proposals for the Starr County Campus Buildings A and B Carpet Replacement will be requested at the October 28, 2014 Board meeting.

Due to time constraints, Dr. Reed and Mr. Gerry Rodriguez advised the Facilities Committee that this item could be delayed or taken to the Board without a Committee recommendation. The Committee did not deliberate or take action on this agenda item.

Review and Recommend Action on Final Completion of the Starr County Campus Parking Lot 5 Lighting and Drive Lighting

Approval of final completion and release of final payment for the Starr County Campus Parking Lot 5 Lighting and Drive Lighting will be requested at the October 28, 2014 Board meeting.

It was recommended that final completion and release of final payment for this project with Zitro Electric be approved. The original cost approved for this project was in the amount of \$98,500.

The following chart summarizes the above information:

Construction Budget	Approved Proposal Amount	Net Total Change Orders	Final Project Cost	Previous Amount Paid	Remaining Balance
\$105,000	\$98,500	\$0	\$98,500	\$93,575	\$4,925

On October 1, 2014, STC Planning & Construction Department staff along with ACR Engineering inspected the site to confirm that all punch list items were completed. A letter from ACR Engineering acknowledging all work was complete and recommending release of final payment was provided in the packet.

Upon a motion by Mr. Gary Gurwitz and a second by Mrs. Graciela Farias, the Facilities Committee recommended Board approval of the final completion and release of final payment in the amount of \$4,925 for the Starr County Campus Parking Lot 5 Lighting and Drive Lighting project with Zitro Electric as presented. The motion carried.

Update on Status of Construction Projects

The Facilities Planning & Construction staff prepared the attached design and construction update. This update summarizes the status of each capital improvement project currently in progress. Gerry Rodriguez will be present to respond to questions and address concerns of the Committee.

Adjournment

There being no further business to discuss, the Facilities Committee Meeting of the South Texas College Board of Trustees adjourned at 7:15 p.m.

I certify that the foregoing are the true and correct minutes of the October 14th, 2014 Facilities Committee Meeting of the South Texas College Board of Trustees.

Mr. Gary Gurwitz, Chair

*Finance & Human
Resources Committee
Minutes
October 14th, 2014*

**South Texas College
Board of Trustees
Finance and Human Resources Committee
Ann Richards Administration Building Board Room
Pecan Campus
Tuesday, October 14, 2014
@ 6:30 p.m.
McAllen, Texas**

Minutes

The Finance and Human Resources Committee Meeting was held on Tuesday, October 14, 2014 in the Ann Richards Administration Building Board Room at the Pecan Campus in McAllen, Texas. The meeting commenced at 7:20 p.m. with Mr. Paul R. Rodriguez presiding.

Members present: Mr. Paul R. Rodriguez, and Ms. Rose Benavidez

Other Trustees Present: Mr. Gary Gurwitz

Members absent: Dr. Alejo Salinas, Jr. and Mr. Roy de León

Also present: Dr. Shirley A. Reed, Mrs. Mary Elizondo, Dr. David Plummer, Mrs. Becky Cavazos, Mrs. Brenda Balderaz, Mr. Paul Varville, Mr. Daniel Ramirez, Mr. Gus Martinez, and Mr. Andrew Fish

Approval of September 11, 2014 Finance and Human Resources Committee Minutes

Upon a motion by Ms. Rose Benavidez and a second by Mr. Paul R. Rodriguez, the Minutes for the Finance and Human Resources Committee Meeting of September 11, 2014 were approved as written. The motion carried.

**Discussion and Action as Necessary on Starr County Tax Resale Property
and Resolution Authorizing Tax Resale**

Approval of the Starr County Tax Resale Property Cause No. TS-97-143; Rio Grande C.I.S.D. and Starr County vs. Pablo A. Saenz Jr. and the Resolution Authorizing the Tax Resale will be requested at the October 28, 2014, Board meeting.

The law offices of Linebarger Goggan Blair & Sampson, LLP requested consideration and possible action on the tax resale of this property.

On July 5, 2011, Linebarger Goggan Blair & Sampson, LLP held a Tax Resale Auction at the Starr County Courthouse for struck off properties located within Starr County. The tax

resale auction was published several times in the Starr County Town Crier. No bids were received at time of auction on any Rio Grande City properties; however on April 30, 2014 a private written bid was received for one (1) property listed as follows:

- Cause No. TS-97-143; Rio Grande C.I.S.D. and Starr County vs. Pablo A. Saenz Jr.

On struck off property as follows:

Lot 9, Block 13, Town of Rio Grande City located at Hwy 83 and North East St. Rio Grande

The total amount the College will receive is \$484.16.

Linebarger Goggan Blair & Sampson, LLP submitted the private written bid for the Board of Trustees' consideration and approval.

The private written bid, the legal description for the property, as well as the amount of the bid, the South Texas College amount, the Analysis of Bid Received, and the Resale Resolution were included in the packet for the Committee's information and review.

Mr. Gus Martinez from Linebarger Goggan Blair & Sampson, LLP was present at the meeting, and presented the basic information on this bid.

Upon a motion by Mr. Paul R. Rodriguez and a second by Ms. Rose Benavidez, the Finance and Human Resources Committee recommended Board of the Starr County Tax Resale Property Cause No. TS-97-143; Rio Grande C.I.S.D. and Starr County vs. Pablo A. Saenz Jr. and the Resolution Authorizing the Tax Resale to Hernando and Iris Cardenas as presented. The motion carried.

Review and Recommend Action on Award of Proposals, Purchases, Renewals, Leases, and Interlocal Agreement

Approval of the following proposal awards, purchases, renewals, leases, and interlocal agreement will be requested at the October 28, 2014 Board meeting as follows:

- 1) Audio Visual Capture Device (Award):** award the proposal for an audio visual capture device to Audio Visual Aids Corp (San Antonio, TX), at a total cost of \$30,209.00;
- 2) Merchant Services (Award):** award the proposal for merchant services (credit card processing) to BBVA Compass (McAllen, TX) for the period beginning November 1, 2014 through October 31, 2016 with three one-year options to renew for an estimated annual cost of \$271,582.11, which is based on projected transactions;
- 3) Online Defensive Driving Training (Award):** award the proposal for online defensive driving training to I Drive Safely, LLC. (Carlsbad, CA), for the period beginning November 1, 2014 through October 31, 2015 with two one-year options to renew. The College will receive \$8.75 commission payment per student, which is 35% of the total student tuition of \$25.00;

- 4) **Travel Package for TexPrep Program (Reject):** reject the proposal for travel package for TexPrep program due to the one proposal received being over the allowable grant budget;
- 5) **Advertisement Agreement – Buses (Purchase):** purchase an advertisement agreement for buses from Lower Rio Grande Valley Development Council/Valley Metro (Weslaco, TX), a sole source vendor, for the period beginning December 1, 2014 through August 31, 2015, at a total cost of \$29,561.40;
- 6) **Advertisement Agreement – Continuing Education (Purchase):** purchase an advertisement agreement for Continuing Education from ACM Valley Multimedia Network/dba Valley Town Crier (McAllen, TX), a sole source vendor, for the period beginning September 17, 2014 through August 31, 2015, at a total cost of \$15,480.00;
- 7) **Catering Services (Purchase):** purchase catering services from Centerplate at McAllen Convention Center (McAllen, TX), a sole source vendor, at an estimated cost of \$28,700.00;
- 8) **Computers, Laptops and Tablets (Purchase):** purchase computers, laptops, and tablets from the State of Texas Department of Information Resources (DIR) approved vendor Dell Marketing, LP. (Dallas, TX) and from the National Joint Powers Alliance approved vendor CDW Government, in the total amount of \$98,054.44;
- 9) **Digital Advertising Agreement (Purchase):** purchase a digital advertising agreement from Millennial Media, Inc./Jumtup (Baltimore, MD), a sole source vendor, for the period beginning November 1, 2014 through January 31, 2015, at a total cost of \$10,000.00;
- 10) **Furniture (Purchase):** purchase furniture from the State of Texas Multiple Award Schedule (TXMAS) and Texas Association of School Boards – Buyboard approved vendors, at a total amount of \$141,456.88.

A	Allsteel, Inc.	\$19,600.09
B	Datum	\$1,275.62
C	Exemplis Corporation	\$3,525.00
D	The Hon Company	\$1,825.48
E	Inscape, Ltd.	\$29,667.59
F	Krueger International, Inc.	\$82,163.11
G	VIA, Inc.	\$3,399.99
	Total Amount	\$141,456.88

- 11) **Overnight Delivery Services (Purchase):** purchase overnight delivery services from FedEx Government Services (Memphis, TN/Pharr, TX), a Texas Procurement and Support Services (TPASS) term contract approved vendor, a division of the Texas Comptroller of Public Accounts, for the period beginning September 1, 2014 through August 31, 2015, at an estimated cost of \$11,000.00 based on prior year expenditures;
- 12) **Police Equipment and Accessories (Purchase):** purchase police equipment and accessories from GT Distributors, Inc. (Austin, TX), a Texas Association of School Boards – Buyboard approved vendor, for the period beginning October 29, 2014 through August 31, 2015, at a total cost of \$145,000.00;

- 13) Police Vehicle Equipment and Accessories (Purchase):** purchase police vehicle equipment and accessories from Fleet Safety Equipment, Inc. (Houston, TX), a Texas Association of School Boards – Buyboard approved vendor, for the period beginning October 29, 2014 through August 31, 2015, at an estimated amount of \$90,000.00;
- 14) Servers (Purchase):** purchase servers from Dell Marketing, LP. (Dallas, TX), a State of Texas Department of Information Resources (DIR) approved vendor, at a total cost of \$36,944.85;
- 15) Science Instructional Supplies and Equipment (Purchase):** purchase science instructional supplies and equipment from Fisher Science Education (Hanover Park, IL), a U. S. Communities (Purchasing Cooperative) approved vendor, for the period beginning September 1, 2014 through August 31, 2015, at an estimated amount of \$20,000.00 based on prior year expenditures;
- 16) Student Information Distribution Services (Purchase):** purchase student information distribution services from Valley Newspaper Holdings, LLP./dba Valley Town Crier (McAllen, TX), a sole source vendor, for the period beginning November 1, 2014 through August 31, 2015, at an estimated cost of \$29,095.00;
- 17) Testing Materials - CAAP (Purchase):** purchase testing materials - CAAP from ACT CAAP (Iowa City, IA), a sole source vendor, at an estimated cost of \$18,375.00;
- 18) Web-Network Advertisement Agreement (Purchase):** purchase a web-network advertisement agreement from Adiant/Adblae (New York, NY), a sole source vendor, for the period beginning November 1, 2014 through January 31, 2015, at a total cost of \$10,000.00;
- 19) Welding Supplies and Gases (Purchase):** purchase welding supplies and gases from AOC Welding Supply/Praxair (McAllen, TX), a Harris County Department of Education – Choice Partner (Purchasing Cooperative) approved vendor, for the period beginning September 1, 2014 through August 31, 2015, at an estimated cost of \$25,000.00 based on prior year expenditures;
- 20) Catering Services (Renewal):** renew the contracts for catering services for the period beginning November 21, 2014 through November 20, 2015, at an estimated cost of \$55,000.00 based on prior year expenditures. The vendors are as follows:
- a. Cornerstone Catering (Edinburg, TX)
 - b. Delgar Foods/dba Delia's (Pharr, TX)
 - c. Domine Catering, LLC. (McAllen, TX)
 - d. El Reno Investments, LLC./dba Subway (Mission, TX)
 - e. El Patio Restaurant (Mission, TX)
 - f. Esperanza on Fifth, LLC./dba Blimpie (Weslaco, TX)
 - g. Jason's Deli (Corpus Christ, TX/McAllen, TX)
 - h. Pizza Properties, Inc./dba Peter Piper Pizza (El Paso, TX/McAllen, TX)
 - i. Teresita's/dba Atencion Selecta (McAllen, TX)
- 21) Chiller Maintenance Service (Renewal):** renew the contract for chiller maintenance service with Pro Tech Mechanical, Inc. (Corpus Christi, TX), for the period beginning November 21, 2014 through November 20, 2015, at an estimated cost of \$83,705.01;
- 22) Institutional Membership – AACC (Renewal):** renew the institutional membership with American Association of Community Colleges (AACC) (Washington, D.C.), a

sole source vendor, for the period beginning January 1, 2015 through December 31, 2015, at a total cost of \$15,490.00;

- 23) Institutional Membership – TACC (Renewal):** renew the institutional membership with Texas Association of Community Colleges (TACC) (Austin, TX), a sole source vendor, for the period beginning September 1, 2014 through August 31, 2015, at a total cost of \$79,157.00;
- 24) Internet Services (Renew):** renew the internet services with Time Warner Cable through the State of Texas Department of Information Resources (DIR) for the period beginning April 1, 2015 through March 31, 2016, at a monthly cost of \$15,500.00, a one-time upgrade fee of \$500.00, a monthly federal fee of \$2,790.00, and at an annual cost of \$219,980.00. The State of Texas Department of Information Resources (DIR) contracts are for a three (3) year period. The total cost of the three-year contract is \$658,940.00;
- 25) Microsoft Campus License Agreement (Renewal):** renew the Microsoft Campus License agreement with Software House International (SHI) Government (Austin, TX), a State of Texas Department of Information Resources (DIR) approved vendor, for the period beginning November 1, 2014 through October 31, 2015, at a total cost of \$110,623.96;
- 26) Mobile Storage Services (Renewal):** renew the contracts for mobile storage services for the period beginning December 18, 2014 through December 17, 2015, at an estimated cost of \$10,000.00. The vendors are as follows:
- Mobile Mini I, Inc. (Tempe, AZ/Pharr, TX)
 - PODS of the Rio Grande Valley (Edinburg, TX)
- 27) Online Admissions Application Service (Renewal):** renew the online admissions application service with Texas Higher Education Coordinating Board (Austin, TX), a sole source vendor, for the period beginning September 1, 2014 through August 31, 2015, at a total cost of \$10,660.00;
- 28) Online Course Evaluation License Agreement (Renewal):** renew the online course evaluation license agreement with Gap Technologies, Inc. (Buffalo, NY), a sole source vendor, for the period beginning January 15, 2015 through January 14, 2016, at an estimated cost of \$22,000.00;
- 29) Physical and Mental Fitness Training (Renewal):** renew the contract for physical and mental fitness training with Cross Fit One (McAllen, TX), for the period beginning November 1, 2014 through October 31, 2015, at no charge to the College. Each student will pay South Texas College \$360.00 for the course and the vendor will bill South Texas College \$325.00. South Texas College will make a commission of \$35.00 per student enrolled in the course and provide for the recovery of administrative costs associated with the program.
- 30) Promotional Items for Student Outreach (Renewal):** renew the promotional items for student outreach for the period beginning November 27, 2014 through November 26, 2015, at an estimated cost of \$55,000.00. The vendors are as follows:
- Primary: Authentic Promotions.com (Carmichael, CA)
 - Secondary: Safeguard Universal, LLC. (Corpus Christi, TX)
Imprezos Pro Uniforms, LLC. (Pharr, TX)
Images In Ink, Inc. (McAllen, TX)
Elite Promotions (Brownsville, TX)
Gateway Printing & Office Supply (Edinburg, TX)

- 31) Promotional T-Shirts for Student Outreach (Award):** renew the contracts for promotional t-shirts for student outreach for the period beginning November 27, 2014 through November 26, 2015, at an estimated cost of \$71,000.00. The vendors are as follows:
- A & L Athletics (McAllen, TX)
 - Authentic Promotions.com (Carmichael, CA)
 - Gateway Printing & Office Supply (Edinburg, TX)
 - Images in Ink, Inc. (McAllen, TX)
 - Imprezos Pro Uniforms, LLC. (Pharr, TX)
 - Safeguard Universal, LLC. (Corpus Christi, TX)
- 32) Records Management Services (Renewal):** renew the contract for records management services with Records Consultant, Inc. (San Antonio, TX), for the period beginning November 1, 2014 through October 31, 2015, at an estimated cost of \$20,000.00;
- 33) Billboard Advertising Space (Lease/Purchase):** lease billboard advertising space from Lamar Limited Texas (San Benito, TX), a sole source vendor, for the period beginning November 17, 2014 through February 18, 2015, at a total cost of \$40,980.00;
- 34) Graduation Facility (License Agreement):** lease the graduation facility from the City of Hidalgo – Texas Municipal Facilities Corporation (State Farm Arena) (Hidalgo, TX), an interlocal license agreement for May 14, 2015 beginning at 8:00 a.m. through May 16, 2015 at midnight, at an estimated cost of \$23,000.00;
- 35) Online Access to Various Resources and Training Materials (Interlocal Agreement):** enter into an interlocal agreement with the Oregon State Board of Higher Education through Portland State University, for the period beginning October 1, 2014 through September 30, 2015, at a total cost of \$5,000.00.

SUMMARY TOTAL:

The total for all proposal awards, purchases, renewals, leases, and interlocal agreement was \$1,832,054.65.

Upon a motion by Ms. Rose Benavidez and a second by Mr. Paul R. Rodriguez, the Finance and Human Resources Committee recommended Board approval of the proposal awards, purchases, renewals, leases, and interlocal agreement as presented. The motion carried.

**Review and Discussion on College's Procurement Levels for
Purchase of Goods or Services**

Due to lengthy discussion at the preceding Facilities Committee meeting and the subsequent delay to the start of the Finance and Human Resources Committee meeting, the Finance and Human Resources Committee asked staff to delay this review and

discussion item until a later meeting. No action was requested as part of this action, and no programs or procedures would be affected by this delay.

Review and Discussion on the College's Threshold Amounts on Authorization to Sign/Initial Checks and Authorization to Release Checks

Due to lengthy discussion at the preceding Facilities Committee meeting and the subsequent delay to the start of the Finance and Human Resources Committee meeting, the Finance and Human Resources Committee asked staff to delay this review and discussion item until a later meeting. No action was requested as part of this action, and no programs or procedures would be affected by this delay.

Review and Recommend Action to Revise Policy #5120: Investment Policy and Investment Strategy Statement

Approval to revise Policy #5120: Investment Policy and Investment Strategy Statement will be requested at the October 28, 2014 Board meeting.

The Public Funds Investment Act (PFIA), Chapter 2256.005 (e) requires the governing body of an investing entity to review its Investment Policy and Investment Strategy Statement not less than annually. The governing body must adopt a written instrument by rule, order, ordinance, or resolution stating that it has reviewed the Investment Policy and Investment Strategy Statement and that the written instrument so adopted shall record any changes made to either the Investment Policy or Investment Strategy Statement.

The College's Investment Policy and Investment Strategy Statement was submitted and reviewed by the Government Treasurers' Organization of Texas (GTOT). Our Policy reflects several revisions recommended by GTOT. The College was awarded the Certificate of Distinction by the Government Treasurers' Organization of Texas (GTOT) for the Investment Policy. This Certificate was for a two-year period ending August 31, 2016.

The administration brought the Investment Policy and Investment Strategy Statement to the Board of Trustees annually, as required. The Investment Policy and Investment Strategy Statement were reviewed by South Texas College's legal counsel and Long Chilton, LLP, external auditors.

The following revisions were necessary to enhance understanding of the Investment Policy and Investment Strategy Statement.

Investment Policy:

- On page 2, Section I B – deleted the word "and"; and changed "Section III.D.1" to "Section III.G.1." (to correct section reference)

- On page 3, Section II A – changed “avoided” to “minimized” and “construction” to “Unexpended Plant.” (to change wording and correct fund name)
- On page 4-5, Section III A 7 – added the word “with,” “has,” and “be”; added the statements “provides South Texas College with a prospectus and other information required by the Securities Exchange Act of 1934 or the Investment Company Act of 1940” and “and conforms to the requirements set forth in Sections 2256.016(b) and (c) of the Act relating to the eligibility of investment pools to receive and invest funds of investing entities”; and deleted the words “with,” “that,” “money market,” “and” and “no-load.” (to comply with PFIA and GTOT)
- On page 5, Section III A 8 – added the phrase “by rule, order, ordinance, or resolution.” (to comply with PFIA)
- On page 5, Section III E – added the phrase “by qualifying the broker, dealer, and financial institution with whom the College will transact” (to minimize the risk of loss)
- On page 7-8, Section III E 4 – added the statement “the Agreement states the securities and collateral will be held in South Texas College’s name as evidenced by safekeeping receipts of the institution with which the securities are deposited.” (to comply with GTOT)
- On page 8, Section III E 4 c – added the phrases “and liable” and “the collateral and.” (to strengthen the monitoring of collateral)
- On page 8-9, Section III E 5 – added the words “and custody” and added the statements “or held as collateral to secure time and demand deposits” (to strengthen the requirement for safekeeping) and “Securities and collateral will be held in South Texas College’s name as evidenced by safekeeping receipts of the institution with which the securities are deposited.” (to comply with GTOT)
- On page 9-10, Section III F – changed “Investment Officers” and “Investment Committee” to “Board of Trustees,” “including” to “include,” and “registered principal” to “qualified representative”; added the statements “The Board of Trustees may contract with an investment management firm registered under the Investment Advisers Act of 1940 or with the State Securities Board to provide for the investment and management of its public funds under its control. The contract period will be for a maximum of two years, and a renewal or extension of the contract must be made by the Board of Trustees by order, ordinance, or resolution” and “, as defined in the Act”; added the words “the following,” “dealers,” “banks,” and “pools,”; added the phrase “investment providers”; and deleted the phrase “Investment Officers will establish.” (to comply with PFIA)
- On page 10, Section III G 1 – deleted the phrase “the Associate Vice President for Financial Services”; changed “six” to “twelve”; and added the phrase “review brokers/dealers/banks/pools and independent training sources.” (to comply with PFIA)

- On page 12, Section III G 6 – changed the statement “state agency or local government” to “College” and “agency’s or local government’s” to “College’s.” (to correct College reference)
- On page 12, Section III G 7 – added the statement “The methods/sources to be used to monitor the market price of investments that have been acquired with public funds shall be from sources deemed reliable by an Investment Advisor, brokers/dealers”; added the phrase “or other market pricing services”; and deleted the phrase “will be used to monitor the market price of acquired investments.” (to include additional methods of monitoring market price)
- On page 13, Section III G 10 – deleted the statement “The College’s Investment Policy shall be adopted annually by resolution of the College’s Board of Trustees”; deleted the word “Advisory”; added the word “Investment”; and added the phrase “and Investment Strategy.” (to remove duplicate statement)

Investment Strategy Statement:

- On page 2 of the Investment Strategy Statement – changed the phrases “Operating Funds, Construction and Unexpended Plant Funds and Funds for Retirement of Indebtedness” to “all fund types” and “the Operating Funds portfolio” to “all fund types, except for Unexpended Plant Funds and Funds for Retirement of Indebtedness”; and deleted the words “Construction and.” (to change wording on fund types)

In addition, minor grammatical changes were made throughout the documents.

The revised Policy was included in the packet for the Committee’s information and review. The additions to the Policy were in italics and highlighted in yellow and the deletions were designated with a strikeout-

Upon a motion by Ms. Rose Benavidez and a second by Mr. Paul R. Rodriguez, the Finance and Human Resources Committee recommended Board approval of the revisions to Policy #5120: Investment Policy and Investment Strategy Statement as presented and which supersedes any previously adopted Board Policy. The motion carried.

Review and Recommend Action on Annual Investment Report

Approval of the Annual Investment Report for FY 2013-2014 will be requested at the October 28, 2014 Board Meeting.

The Annual Investment Report for FY 2013–2014 was provided in the packet for the Committee’s information and review. Also included was the Annual Investment Report prepared for the State Auditor’s Office.

As required, all College funds were deposited at the College’s Depository, BBVA Compass Bank, in public funds interest checking accounts or certificates of deposit. The provided

report reflected the total interest earned during the fiscal year and the unaudited reconciled balance of each account at August 31, 2014.

All the College's funds were properly collateralized during the fiscal year.

Upon a motion by Ms. Rose Benavidez and a second by Mr. Paul R. Rodriguez, the Finance and Human Resources Committee recommended Board approval of the Annual Investment Report for FY 2013-2014, as presented. The motion carried.

Review and Discussion of Vacancy Report for FY 2014-2015

Due to lengthy discussion at the preceding Facilities Committee meeting and the subsequent delay to the start of the Finance and Human Resources Committee meeting, the Finance and Human Resources Committee asked staff to delay this review and discussion item until a later meeting. No action was requested as part of this action, and no programs or procedures would be affected by this delay.

Adjournment

There being no further business to discuss, the Finance and Human Resources Committee Meeting of the South Texas College Board of Trustees adjourned at 7:23 p.m.

I certify that the foregoing are the true and correct minutes of the October 14, 2014 Finance and Human Resources Committee Meeting of the South Texas College Board of Trustees.

Mr. Paul R. Rodriguez.
Presiding

Announcements

A. Next Meetings:

- Thursday, November 13th, 2014
 - 3:30 p.m. - Education and Workforce Development Committee Meeting
 - 4:30 p.m. - Facilities Committee Meeting
 - 5:30 p.m. - Finance and Human Resources Committee Meeting

- Thursday, November 20th, 2014
 - 5:30 p.m. - Regular Meeting of the Board of Trustees

B. Other Announcements:

- South Texas College will be closed Thursday, November 27th through Sunday, November 30th in observation of Thanksgiving.
- South Texas College will hold a Commencement Ceremony on Sunday, December 14th, 2014, at 3:00 p.m., at the McAllen Convention Center, 700 Convention Center Blvd., McAllen, TX 78501.