

South Texas College
Board of Trustees
Finance, Audit, and Human Resources Committee
Ann Richards Administration Building Board Room
Pecan Campus, McAllen, Texas
Tuesday, February 12, 2019 @ 5:30 p.m.

“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.”

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**Approval of January 15, 2019 Finance, Audit, and Human Resources Committee
Minutes**

The Minutes for the Finance, Audit, and Human Resources Committee Meeting of January 15, 2019 are presented for Committee approval.

**South Texas College
Board of Trustees
Finance, Audit, and Human Resources Committee
Ann Richards Administration Building Board Room
Pecan Campus, McAllen, Texas
Tuesday, January 15, 2019 @ 5:30 p.m.**

Minutes

The Finance, Audit, and Human Resources Committee Meeting was held on Tuesday, January 15, 2019 in the Ann Richards Administration Building Board Room at the Pecan Campus in McAllen, Texas. The meeting commenced at 5:35 p.m. with Mr. Roy de León presiding.

Members present: Mr. Roy de León, Ms. Rose Benavidez, Mr. Paul R. Rodriguez, and Mr. Rene Guajardo

Other Trustees Present: Mrs. Victoria Cantú, Mr. Gary Gurwitz, and Dr. Alejo Salinas, Jr.

Members absent: None

Also present: Dr. Shirley A. Reed, Mrs. Mary Elizondo, Dr. David Plummer, Mr. Matthew Hebbard, Ms. Myriam Lopez, Mrs. Becky Cavazos, Mrs. Brenda Balderaz, Mr. Rick De La Garza, Mr. George McCaleb, Mr. Paul Varville, Mr. Lucio Gonzalez, Ms. Kathryn Hearn, Mr. Bill Starnes, Ms. Lucy Canales, and Mr. Andrew Fish

**Approval of December 4, 2018 Finance, Audit, and Human Resources Committee
Minutes**

Upon a motion by Mr. Paul R. Rodriguez and a second by Ms. Rose Benavidez, the Minutes for the Finance, Audit, and Human Resources Committee Meeting of December 4, 2018 were approved as written. The motion carried.

**Review and Action as Necessary on Renewal Agreement with Access Esperanza
Clinics on Outpatient Clinic at the Mid Valley Campus**

Approval of renewal agreement with Access Esperanza Clinics on outpatient clinic at the Mid Valley Campus starting on February 1, 2019 to January 31, 2020, with a yearly review and renewal of services will be requested at the January 29, 2018 Board meeting.

Purpose – The Access Esperanza Clinics at the Mid Valley Campus provides students easy access to healthcare education, affordable, and high-quality preventive health care at no or very low cost.

Justification – The outpatient clinic at the Mid Valley Campus offers preventive health care services for the Mid Valley students, 18 years of age and older, which is convenient for easy student access for health services and a healthy lifestyle.

Students have access to following services:

- health screening services, testing, and basic management for diabetes, high cholesterol, and high blood pressure
- urinary tract infection testing and treatment
- cancer screening exams both men and women
- HIV screening test
- sexually transmitted infections testing and treatment
- pregnancy testing and educational instruction
- health care education
- community referral for complex medical treatment and social services

Current Terms

- The clinic was available to all South Texas College students 18 years of age and older, and was open one day per week, unless the demand is greater. Students below the age of 18 were referred to another clinic as appropriate.
- Access Esperanza Clinics covered all clinical and staffing costs and operated the clinic. South Texas College promoted the clinic's availability and provided two adjacent classrooms as the clinic site.
- The clinic used classrooms 211 and 213 at the Mid Valley Campus Nursing and Allied Health Building B and was charged a monthly facility use rate of \$1.00 per square feet. The charge was based on two classrooms of 672 square feet each, for a total monthly charge of \$1,344.00 and a total annual charge of \$16,128.00. The Nursing and Allied Health Building B was located in the North West corner of the campus.

Renewal Terms Requested by Access Esperanza Clinics

Access Esperanza Clinics requested changes to the lease agreement and College staff recommended the following changes to the renewal terms:

- Due to low participation, Access Esperanza Clinics requested to modify the ~~lease~~ agreement by allowing the clinic to serve faculty and staff, in addition to students.
- Due to low participation, Access Esperanza Clinics requested to modify Section 3.01 of the lease agreement by reducing rental cost for clinic rooms at South Texas College. The requested monthly facility use rate requested was \$0.50 per square feet, reduced

from \$1.00 per square feet. The clinic used two classrooms of 672 square feet each. As a result, the total monthly charge would be \$672.00 with a total annual charge of \$8,064.00.

- In an effort to increase participation, Access Esperanza Clinics requested the following outreach and awareness efforts for Spring 2019:
 - ⇒ Host an open house the first week of classes
 - ⇒ Co-host an event with Student Engagement (brand awareness)
 - ⇒ Update clinic flyers to focus more on diabetes testing and management services
 - ⇒ Give presentations to the student leadership and the Student Ambassador groups and encourage members to distribute clinic flyers
 - ⇒ Promote clinic on campus TV screens
 - ⇒ Promote clinic to students, faculty, and staff at the Pecan campus
 - ⇒ Give more class presentations (core classes)
 - ⇒ Host a focus group at the beginning of the semester to better understand students' attitudes about the clinic and its services

Background - The Board awarded the contract to enter into an agreement with Access Esperanza Clinics at the September 19, 2017 Board of Trustees meeting for one year with a yearly review and renewal of services. The renewal period will be for February 1, 2019 to January 31, 2020.

Award	Board Meeting Date	Original Term	Renewal Term
Original	9/19/17	2/01/18 – 1/31/19	
Renewal	01/29/19		2/01/19 – 1/31/20

Reviewers – The renewal agreement with Access Esperanza Clinics was reviewed by Mary Elizondo, Vice President for Finance and Administrative Services, Purchasing Department staff, and South Texas College's legal counsel.

Enclosed Documents – The items below were included in the packet for the Committee's information and review:

1. Draft Lease Agreement prepared by administration from South Texas College
2. Exhibit A - STC Facility Use Charges Schedule
3. Exhibit B - Collaboration Letter from Access Esperanza Clinics
4. Exhibit C – Exhibit to the Agreement
5. Exhibit D – Statement of Confidentiality Acknowledgment Statement

Kathryn Hearn, Community Services Director from Access Esperanza Clinics, attended the January 15, 2019 Finance, Audit, and Human Resources Committee meeting to address any questions by the committee.

Upon a motion by Mr. Rene Guajardo and a second by Ms. Rose Benavidez, the Finance, Audit, and Human Resources committee recommended Board approval renewal of the agreement with Access Esperanza Clinics on outpatient clinic at the Mid Valley Campus starting on February 1, 2019 to January 31, 2020, with a yearly review and renewal of services as presented. The motion carried.

Review and Discussion on Options for Contracting for Electric Power Services

Review and discussion with the Finance, Audit, and Human Resources Committee on the procurement method for contracting electric power services is requested for feedback.

In the past, the College has procured the electric power services via a State Contract with the State of Texas, General Land Office, or by advertising a Request for Proposal (RFP).

The College's current contract for electric power services with Cavallo Energy Texas through the General Land Office was entered into on June 1, 2014 and will expire on May 31, 2019.

Purpose – The Vice President for Finance and Administrative Services, Director for Operations and Maintenance, and Director of Purchasing are requesting the review of the procurement options for electric power services.

Justification – A procurement method for electric services must be selected to secure a contract for the electric power services prior to the end of the existing contract.

Background - The following reflects South Texas College's electric service contracts since FY 2002:

Procurement Method	Service Provider	Period	Electricity Rate per kWh
General Land Office	Reliant Energy	4/1/02 – 3/31/04	\$0.03944
General Land Office	Reliant Energy	4/1/04 – 5/31/06	\$0.05397
Request for Proposal	Hino Electric	6/1/06 – 5/31/07	\$0.08099
Request for Proposal	Hino Electric	6/1/07 – 5/31/08	\$0.08650
Request for Proposal	Gexa Energy	6/1/08 – 5/31/11	\$0.08989
Request for Proposal / General Land Office	Cavallo Energy Texas	6/1/11 – 5/31/14	\$0.05676
General Land Office	Cavallo Energy Texas	6/1/14 – 5/31/19	\$0.05482

Request for Proposals

The College contracted an energy consultant, RJ Covington, in FY 2006, FY 2007, FY 2008, and FY 2011. The consultant services included the preparation of the request for proposal (RFP) for energy providers, the analyzing and evaluating of the proposal rates, associated fees, taxes, and the review of the final service agreement. The consultant also provided a detailed report of the proposals received and established a short list of the energy providers for the Finance, Audit, and Human Resources Committee. After the short list was determined, the energy providers submitted their final and executable kWh rate to the Board of Trustees at the Board meeting.

The consultant was paid a one-time fee, that was independent of the electric power contract. The payment did not exceed \$10,000.00, which is below the purchasing threshold requiring bid solicitation.

State Contract

In FY 2002, FY 2004, and FY 2014, the Board of Trustees elected to contract through an interagency contract with the Texas General Land Office. The current contract was entered into in FY 2014 with Cavallo Energy Texas.

When contracting with the state approved vendor, through the General Land Office, the gross receipts tax (GRT) is not charged, which amount to an approximate savings of \$82,000 annually.

South Texas College's current electricity rate per kWh is \$0.05482 and the contract agreement term is from June 01, 2014 through May 31, 2019. At the time of approval, the College was able to include all future bond construction projects with the fixed kWh rate of \$0.05482.

Comparison Between Procurement Methods

A comparison of the procurement methods are as follows:

Request for Proposals	State Contract
Consultant Required	Consultant Not Required
Gross Receipt Tax Not Exempted	Gross Receipt Tax Exempted
Advertisement of RFP	No Advertisement of RFP
Consultant Fee	No Consultant Fee

Mary Elizondo, Vice President for Finance and Administrative Services, George McCaleb, Director for Operations and Maintenance, and Becky Cavazos, Director of Purchasing, attended the January 15, 2019 Finance, Audit, and Human Resources Committee meeting to address any questions by the Committee.

Mr. Bill Starnes, Senior Management Consultant with ReSolved Energy Consulting (formerly RJ Covington), also attended to provide information and respond to questions.

The Committee requested pricing from the General Land Office (GLO) / Cavallo Energy Texas to allow the Board to determine on January 29, 2019 whether to contract with the GLO or to solicit competitive bids from retailers.

No action was required from the Committee. This item as presented for information and feedback to staff.

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

Upon a motion by Mr. Paul R. Rodriguez and a second by Ms. Rose Benavidez, the Finance, Audit, and Human Resources Committee recommended Board approval of the award of proposals, purchases, renewal, and interlocal agreement in the amount of \$507,708.99 as listed below:

A. Awards

- 1) Purchase of Motor Vehicles (Award):** award the proposal for the purchase of motor vehicles totaling \$138,880.00 to the following vendors:
 - **Caldwell Country Chevrolet** (Caldwell, TX) \$ 31,392.00
 - **Spikes Motor, Co.** (Mission, TX) \$106,948.00
- 2) Food Services – Starr County Campus (Award):** award the proposal for food services – Starr County Campus to **Taqueria Hidalgo, LLC.** (Rio Grande City, TX), for the period beginning February 1, 2019 through January 31, 2020 with two one-year options to renew, with a 10% commission on the net sales;

B. Instructional Item

- 3) Science Models, Equipment, and Supplies (Purchase):** purchase of science models, equipment, and supplies from **VWR International, Inc.** (Radnor, PA), for a total amount of \$56,992.90 as follows:

#	Vendor	Contract	Amount
1	VWR International, Inc. (Radnor, PA)	E&I Cooperative Services	\$31,248.48
2	VWR International, Inc. (Radnor, PA)	Board Approved Vendor	\$25,744.42

C. Non – Instructional Item

- 4) **LED Lamps (Purchase):** purchase LED lamps from **Crawford Electric Supply** (San Antonio, TX/Mission, TX), a Texas Association of School Boards – Buyboard approved vendor, at a total amount of \$113,946.75;

D. Technology Items

- 5) **Servers (Purchase):** purchase servers from **Dell Marketing, LP.** (Dallas, TX), a State of Texas Department of Information Resources (DIR) approved vendor, at a total amount of \$111,374.38;
- 6) **Software Licenses and Maintenance Agreement (Renewal):** renew the software licenses and maintenance agreement with **DLT Solutions, LLC.** (Herndon, VA), a State of Texas Department of Information Resources (DIR) approved vendor, for the period beginning February 27, 2019 through February 26, 2020, at a total amount of \$81,124.96;

E. Interlocal Agreement

- 7) **Facility Usage Interlocal Agreement (Lease/Rental):** lease/rental facility usage interlocal agreement with **Region One Education Service Center (ESC)**, for Friday, February 15, 2019, at an estimated amount of \$5,390.00.

The motion carried.

Review and Recommend Action on Renewal of Delinquent Tax Collection Services for Hidalgo County and Starr County

Approval to renew the contract with Linebarger Goggan Blair & Sampson, LLP to provide delinquent tax collection services for Hidalgo and Starr counties at a 15 percent fee based on the amount of delinquent tax, penalty, and interest collected for a period from May 1, 2019 through April 30, 2020 will be requested at the January 29, 2019 Board meeting.

Purpose – The delinquent tax collection services contract with Linebarger Goggan Blair & Sampson, LLP expires on April 30, 2019. Approval to renew the contract for a one-year period is needed in order to provide collection services for delinquent property taxes that are owed to the College.

Justification - Property Tax Code Section 6.30 (c) states that the governing body of a taxing unit may contract with any competent attorney to represent the unit to enforce the collection of delinquent taxes. The attorney's compensation is set in the contract, but the total amount of compensation provided may not exceed 20 percent of the amount of delinquent tax, penalty, and interest collected. The Board of Trustees previously approved a 15 percent penalty fee.

Background – The contract for delinquent tax collection services was awarded to Linebarger Goggan Blair & Sampson, LLP at the January 31, 2017 Board meeting for the contract period

beginning May 1, 2017 through April 30, 2018 with two (2) one-year renewal options. This is the last renewal of the two (2) one-year renewal options.

Funding Source – The delinquent tax collection services fee of 15 percent was paid to the delinquent tax attorney from the tax collection revenues collected by Hidalgo County and Starr County.

Enclosed Documents - A Summary of Cumulative Delinquent Tax Levy Collections by Fiscal Year and a Summary Total Tax Levy Uncollected was provided in the packet for the Committee's information and review.

Ms. Lucy Canales, Partner with Linebarger Goggan Blair & Sampson, LLP, attended the meeting. Ms. Canales noted that her firm was researching issues such as homestead exemption fraud, in which property owners improperly seek a homestead exemption on properties that are not qualified for that exemption under law. They were also analyzing the impact on tax revenues of the exemption on tax rate increases for homeowners over the age of 65 and the growing population of homeowners older than 65.

Upon a motion by Mr. Paul R. Rodriguez and a second by Ms. Rose Benavidez, the Finance, Audit, and Human Resources Committee recommended Board approval of the renewal of the Delinquent Tax Contracts for Starr County and Hidalgo County at a 15 percent fee based on the amount of delinquent tax, penalty, and interest collected with Linebarger Goggan Blair & Sampson, LLP for one-year period from May 1, 2019 to April 30, 2020 as presented. The motion carried.

Review and Recommend Action on Resolution to Impose a 15% Penalty for Collection of Delinquent Taxes as Authorized Under Section 33.07 of the Texas Property Tax Code for Delinquent Tax Attorney Fees and Expenses

Approval of the Resolution imposing a 15 percent penalty for collection of delinquent taxes as authorized under Section 33.07 of the Texas Property Tax Code for attorney fees and expenses will be requested at the January 29, 2019 Board meeting.

Purpose – A resolution authorizing the College to levy an additional penalty of 15 percent to the delinquent 2018 district taxes was needed in order to recover the cost of attorney fees and expenses for the collection of delinquent taxes, penalty, and interest due on 2018 taxes which will remain delinquent on July 1, 2019.

Justification – Board action would be necessary on the Resolution previously prepared by legal counsel to approve the 15 percent additional penalty for the payment of attorney fees and expenses for the collection cost of delinquent taxes for Hidalgo County and Starr County collection services.

According to Section 6.30 (c), Attorneys Representing Taxing Units, of the Texas Property Tax Code, the total amount of the contracted attorney's compensation may not exceed 20 percent of the amount of delinquent tax, penalty, and interest collected.

Background – The Resolution imposing a 15 percent penalty for the collection of tax year 2017 delinquent taxes, the College's prior levy tax year, was approved by the Board on January 30, 2018.

Enclosed Documents – The Resolution to be completed with the delinquent tax attorney firm awarded was provided in the packet for the Committee's review and information.

The Committee noted that the 15% penalty fee would be paid by the debt owner as part of the collection process.

Upon a motion by Mr. Paul R. Rodriguez and a second by Ms. Rose Benavidez, the Finance, Audit, and Human Resources Committee recommended Board approval of the Resolution imposing a 15% penalty for collection of delinquent taxes as authorized under Section 33.07 of the Texas Property Tax Code for Board approval as presented. The motion carried.

Discussion and Action as Necessary on External Auditor Services

Approval to renew the contract with Carr, Riggs & Ingram, LLC. (McAllen, TX) for the external auditor services for the fiscal year ending August 31, 2019 will be requested at the January 29, 2019 Board meeting.

Purpose – The external auditor services contract was requested to perform the College's annual financial audit and issue an opinion on the financial statements prepared by the College Business Office staff. The audited Comprehensive Annual Financial Report (CAFR) must be submitted annually to the Texas Higher Education Coordinating Board by December 31st.

Justification – The Vice President for Finance and Administrative Services and the Comptroller requested the contract renewal for external auditors to start the interim audit work related to the financial audit prior to fiscal year end.

Background - The Board awarded the contract for the external auditor services at the April 24, 2017 Board of Trustees meeting for one year with four one-year annual renewals. The second renewal period will be for the fiscal year ending August 31, 2019 for the audit of Fiscal Year 2018 - 2019.

Award	Board Meeting Date	Original Term	Renewal Term	Audit Period
Original	4/24/17	4/25/17- 12/31/17	4 – one year options	9/01/16 – 8/31/17
1 st Renewal	2/27/18		1/1/18 – 12/31/18	9/01/17 – 8/31/18
2 nd Renewal	1/29/2019		1/1/19 – 12/31/19	9/1/18 – 8/31/19

The total amount paid in FY 2017 and FY 2018, was \$108,000 and \$132,000, respectively.

Dr. Shirley A. Reed, President, and Mary Elizondo, Vice President for Finance and Administrative Services, attend the Committee meeting to address any questions by the Trustees.

Funding Source - Expenditures were budgeted in the Audit Services budget for FY 2018 - 2019 budget and FY 2019 - 2020 pending Board approval of the budget.

Upon a motion by Mr. Paul R. Rodriguez and a second by Ms. Rose Benavidez, the Finance, Audit, and Human Resources Committee recommended Board approval to take action as necessary regarding the contract with Carr, Riggs, & Ingram, LLC. for the external auditor services at a cost of approximately \$140,000.00 for the fiscal year ending August 31, 2019 as presented. The motion carried.

Review and Update on Title IX Compliance

Mary Elizondo, Vice President for Finance and Administrative Services, presented an update on the College's compliance with Title IX. The presentation provided an overview of legislation, the College's new Title IX initiatives and resources, and case statistics for FY 2017 - 2018.

The U.S. Department of Education, through its Office of Civil Rights, enforces Title IX to ensure that institutions that receive federal financial assistance from the U.S. Department of Education comply with the law.

Title IX of the Education Amendments of 1972 states that "no person in the United States shall, on the basis of sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any educational program or activity receiving federal financial assistance."

Title IX protects students, employees, applicants for admission and employment, and other persons from all forms of sex discrimination, including discrimination based on gender identity or failure to conform to stereotypical notions of masculinity or femininity. All students (as well as other persons) at higher education institutions are protected by Title IX, regardless of their sex, sexual orientation, gender identity, part-time or full-time status, disability, race, or national origin - in all aspects of a recipient's educational programs and activities.

The items below were included in the packet for the Committee's information and review:

1. Title IX Compliance PowerPoint Presentation
2. Title IX Resource Guide
3. Pregnancy and Parenting Services Resource Guide

While this presentation was delivered to the Finance, Audit, and Human Resources Committee of the Board of Trustees, it was noted that six of the seven trustees were in attendance.

No action was required from the Committee. This item was presented for information and feedback to staff.

Adjournment

There being no further business to discuss, the Finance, Audit, and Human Resources Committee Meeting of the South Texas College Board of Trustees adjourned at 6:36 p.m.

I certify that the foregoing are the true and correct Minutes of the January 15, 2019 Finance, Audit, and Human Resources Committee Meeting of the South Texas College Board of Trustees.

Mr. Roy de León
Committee Chair

Discussion and Action as Necessary on Electric Power Service

Review and action as necessary on electric power service will be requested at the February 12, 2019 Board meeting.

Purpose – To rescind the previous approval to contract with the Texas General Land Office (GLO) State Power Program for the purchase of electric power services and also to either enter into a newly proposed interlocal agreement with the General Land Office (Option 1) or authorize administration to solicit competitive sealed proposals and contract with a consultant (Option 2).

Justification – On January 29, 2019, administration presented electrical power service contract rates that were not accurate, and could not be executed with the vendor.

In reviewing the rates proposed by the Texas General Land Office (GLO) State Power Program / Cavallo Energy Texas, administration provided the Board with the “effective rates.” The Board acted upon the rates provided by administration, and the College subsequently discovered that those were not executable contract rates.

Effective Vs. Executable Rates

As the GLO provider, contracting with Cavallo would exempt the College from paying two additional costs:

- Gross Receipt Tax (GRT) – assessed to recover the miscellaneous gross receipts tax imposed on retail electric providers operating in an incorporated city or town having a population of more than 1000
- Public Utility Commission Assessment (PUCA) Fee – assessed to recover the statutory fee for administering the Public Utility Regulatory Act

Any non-GLO provider would assess both costs to the College in addition to their executed contract rate.

The effective rate was provided by Cavallo for the sole purpose of comparing a competitor’s rate against the GLO rate.

The executable rate was calculated by Cavallo as follows:

Description	Rate
Cavallo Executable Rate	\$0.04665
Less: Assessed Cost (if-non-GLO provider)	\$0.00214
Effective Rate	\$0.04451

As per Cavallo, any competing quote that exceeded the effective rate would, once taxes and fees were assessed, cost the College more than Cavallo’s executable contract rate.

Presentation of Effective Rate instead of Executable Rate

When staff presented the rates to the Board on January 29, 2019, the effective rate was provided for the Board’s consideration and action, instead of Cavallo’s executable contract

rate. The action taken by the Board cannot be honored by Cavallo Energy Texas, and should be rescinded.

The sixty (60) month effective rate and the final executable contract price at January 29, 2019 were \$0.04451 and \$0.04665, respectively, a difference of \$0.00214.

Start Date	6/1/2019	6/1/2019	6/1/2019
Term (months)	36	48	60
\$kWh Renewal Effective Rate	\$0.04751	\$0.04594	\$0.04451
\$kWh Renewal Contract Rate	\$0.04972	\$0.04811	\$0.04665
Existing GLO Contract Price	\$0.05482	\$0.05482	\$0.05482

New Executable Contract Rate

For the Board's reference, Cavallo was asked to provide an updated executable contract price as of February 7, 2019. The rates are as follows:

Start Date	6/1/2019	6/1/2019	6/1/2019
Term (months)	36	48	60
\$kWh Renewal Contract Rate	\$0.04878	\$0.04723	\$0.04590
Existing GLO Contract Price	\$0.05482	\$0.05482	\$0.05482

A procurement method for electric services must be selected to secure a contract for the electric power services prior to the end of the existing contract on May 31, 2019. It is requested that the Board of Trustees make a recommendation for the procurement of the electric power services by selecting one of the two options below:

- Option 1: Enter into a newly proposed interlocal agreement with the General Land Office with updated rates as of February 12, 2019
⇒ This option could be acted on immediately upon Board approval
- Option 2: Authorize administration to solicit competitive sealed proposals for electric power services, which requires contracting with a consultant
⇒ This option is approximately a six week procurement process

Background – The following is South Texas College's history on providers and rates:

Method	Service Provider	Period	Rate per kWh
General Land Office	Reliant	04/1/02 - 03/31/04	\$0.03944
General Land Office	Reliant	04/1/04 - 05/31/06	\$0.05397
RFP	Hino Electric	06/1/06 - 05/31/07	\$0.08099
RFP	Hino Electric	06/1/07 - 05/31/08	\$0.08650
RFP	Gexa Energy	06/1/08 - 05/31/11	\$0.10200
RFP/General Land Office	Cavallo Energy Texas	06/1/11 - 05/31/14	\$0.05676
General Land Office	Cavallo Energy Texas	06/1/14 - 05/31/19	\$0.05482

Funds for this expenditure are available in the Utilities budget for FY 2018 - 2019.

Mary Elizondo, Vice President for Finance and Administrative Services, George McCaleb, Director of Operations and Maintenance, and Becky Cavazos, Director of Purchasing, will be present at the February 12, 2019 Special Board of Trustees meeting to address any questions.

It is requested that the Finance, Audit, and Human Resources Committee recommend for Board approval at the February 26, 2019 Board meeting, to rescind the January 29, 2019 approval to contract with the Texas General Land Office (GLO) State Power Program for the purchase of electric power services and further recommend that the Board of Trustees approve either the proposed new interlocal agreement with the GLO at the current executable rate of \$0.04590 or authorize administration to solicit competitive sealed proposals for electrical power services and contracting with a consultant as presented.

**Review and Recommend Action on Award of Proposals, Purchases, Renewals,
Interlocal Agreements, and Rescind of Award**

Approval of the following award of proposals, purchases, renewals, interlocal agreements, and rescind of award will be requested at the February 26, 2019 Board meeting as follows:

- A. Award of Proposals**
- B. Instructional Items**
- C. Non-Instructional Items**
- D. Technology Items**
- E. Interlocal Agreements**
- F. Rescind of Award**

A. Award of Proposals

1) Purchase of Medium Duty Trucks (Award)

Award the proposal for the purchase of medium duty trucks to **Weslaco Motors, LP**. (Weslaco, TX), at a total amount of \$89,716.82.

Purpose – Central Receiving is requesting the purchase of two (2) medium duty cargo trucks for the daily deliveries throughout the College district of equipment, furniture, and supplies.

Justification and Benefits – The medium duty truck will replace existing vehicles used daily with high mileage and reduced reliability. These vehicles will conduct daily deliveries to all campuses and centers and are also available to various departments as needed.

Central Receiving will use the existing vehicles as backups for local deliveries and pickups as needed.

Background – Proposal documents were advertised on January 17, 2019, and January 24, 2019, and issued to six (6) local vendors. Three (3) responses were received on February 1, 2019 and reviewed by Central Receiving and the Purchasing Department.

Funds for this expenditure are budgeted in the Central Receiving budget for FY 2018 - 2019.

2) Security Cameras (Award)

Award the proposal for security cameras to **Security Solutions of DFW** (Dallas, TX), at a total amount of \$94,850.00.

Purpose – The Department of Public Safety is requesting the purchase of ninety-four (94) surveillance cameras and camera licenses to replace cameras throughout the College district that were acquired in the 1990's and are no longer working.

Justification and Benefits – College surveillance cameras are a deterrent to crime, including acts of violence. The cameras are used to identify individuals involved in nefarious acts on campus and provide the documentation necessary prosecute violators. Currently there are

ninety-four (94) cameras throughout the college district that no longer work and cannot be repaired, since replacement parts are no longer available.

Background – Proposal documents were advertised on January 14, 2019, and January 21, 2019, and issued to eight (8) vendors. Three (3) responses were received on January 29, 2019, and reviewed by the Department of Public Safety and Purchasing Department.

Funds for this expenditure are budgeted in the Construction – District Wide Surveillance Camera budget for FY 2018 - 2019.

B. Instructional Items

3) Clinical Skills Mannequins (Purchase)

Purchase clinical skills mannequins from **CAE Healthcare Inc.** (Sarasota, FL), a sole source vendor, at a total amount of \$79,796.72.

Purpose – The Associate Degree Nursing program in the Division of Nursing & Allied Health are requesting the purchase of nine (9) clinical skills mannequins for student instruction in the skills lab.

Justification and Benefit – Clinical skill mannequins will offer students a fully immerse experience in patient care practice skills. This equipment is also part of the overall simulation experience that has become a widely accepted method of instruction by accrediting bodies to better help prepare students for real-life experiences in a safe and non-threatening environment. It is designed to provide “real” experience. It is equipped with realistic articulation, airway ventilation, oral/dental hygiene, breathing (chest rise and fall), Cardiac defibrillation and real monitoring 4-lead ECG, blood pressure measurement, and ostomy care. This equipment will provide advanced training on how to handle different patient care practices that are critical in our community.

Funds for this expenditure are budgeted in the JET grant budget for FY 2018 – 2019.

4) Training Simulator (Purchase)

Purchase a training simulator from **CAE Healthcare Inc.** (Sarasota, FL), a sole source vendor, at a total amount of \$56,280.85.

Purpose – The Emergency Medical Technology (EMT) program in the Division of Nursing & Allied Health is requesting the purchase of a high-fidelity trauma simulator for student instruction in the simulation center.

Justification and Benefit – Although students attend to real emergencies in their practicum and hospital rotations, they are not always exposed to scenarios that require the use a specific knowledge or skill gained in the classroom. By using a simulator with the capabilities of simulating a wide range of trauma complications such as tension pneumothorax, difficult trauma airway requiring cricothyrotomy, rapid intraosseous access, and control of major bleeding. Instructors are able to create simulated scenarios that provide students the hands on practice on critical trauma situations and hone in on critical thinking skills. A training

simulator provides the flexibility of creating scenarios in a safe environment that allows the instructor to breakdown curriculum objectives without placing any patient at risk.

Funds for this expenditure are budgeted in the Maintenance and Operations Taxes (M&O) Furniture, Fixtures, and Equipment (FFE) budget for FY 2018 – 2019.

C. Non – Instructional Items

5) Police and Security Vehicle Emergency Lighting and Equipment (Purchase)

Purchase of police and security vehicle emergency lighting and equipment from **Fleet Safety Equipment** (La Feria, TX), a Texas Association of School Boards – Buyboard approved vendor, for the period beginning February 27, 2019 through August 31, 2019, at a total amount of \$89,500.00.

Purpose – The Department of Public Safety received Board approval in 2019 for the acquisition of five (5) police and security vehicles that require emergency lighting and equipment. These vehicles will be used throughout the College district responding to incidents, conducting patrols, and traffic stops.

Justification and Benefits – The South Texas College Department of Public Safety is a law enforcement agency licensed by the Texas Commission on Law Enforcement (TCOLE) and is required to operate vehicles that are capable of responding to emergencies. The College police and security vehicles need emergency lighting and equipment for the performance of police officer and security personnel duties at campuses throughout the District.

Background – With the addition of the Regional Center for Public Safety Excellence (RCPSE) to the number of college properties, the Department of Public Safety is responsible for patrolling and responding to incidents at the Center and five campuses. The new vehicles with emergency lighting and equipment will enhance the security program implemented by the Department.

Funds for this expenditure are budgeted in the Department of Public Safety budget for FY 2018 - 2019.

6) Shuttle Bus (Purchase)

Purchase a shuttle bus from **Creative Bus Sales, Inc.** (Irving, TX), a Houston-Galveston Area Council (HGAC) approved vendor, at a total amount of \$85,860.00.

Purpose – The South Texas College Department of Public Safety is requesting to purchase a shuttle bus that will replace a bus that has frequent breakdowns and is at the end of its useful life. The shuttle bus will provide seating for a total of sixteen (16) passengers and two (2) wheelchair spaces.

Justification and Benefit – The Federal Transit Administration categorizes the useful life of buses by size. The light duty, midsize bus the college purchased in 2010 has a minimum useful life of 5 years. This bus is eight (8) years old with a mileage of 91,848 and unknown number of idling hours. With frequent breakdowns and increasing repair costs, this bus

should be removed from the fleet and replaced. Under the current grant received from the Federal Transit Administration, eighty-five (85) percent of the cost of the new bus will be reimbursed to the college.

Funds for this expenditure are budgeted in the Student Transportation Services budget for FY 2018 – 2019.

7) Food and Related Non-Food Products (Renewal)

Renew the food and related non-food contracts for the period beginning April 27, 2019 through April 26, 2020, at an estimated amount of \$320,000.00, based on prior year expenditures. The vendors are as follows:

- a. **Devin Distributing & Packaging, Inc.** (Palmhurst, TX)
- b. **Labatt Food Service** (Harlingen, TX)
- c. **Sysco Central Texas, Inc.** (New Braunfels, TX)
- d. **Valley Grocers, LLC.** (Brownsville, TX)

Purpose – Food Services and Mid-Valley Childcare Center are requesting to renew the contracts for the purchases of food products and supplies for the operation of the Pecan Campus, Technology Campus, Mid-Valley Campus, and Nursing and Allied Health Campus cafeterias and the Mid-Valley Childcare Center.

Justification and Benefit – The food products are necessary for the operation of the South Texas College cafeterias. It is in the best interest of the College to have multiple vendors to be able to purchase at the lowest price to keep food costs down, to obtain the best quality products, and to ensure availability.

The Mid-Valley Campus Childcare Center purchases food products and prepared meals that are delivered to the Center and served to attending students.

Background – The Board awarded the contracts for food and related non-food products at the March 28, 2017 Board of Trustees meeting for one year with two one-year annual renewals. The last renewal period begins April 27, 2019 through April 26, 2020.

Award	Board Meeting Date	Original Term	Renewal Term
Original	3/28/17	4/27/17 – 4/26/18	2 – one year options
1 st Renewal	2/27/18		4/27/18 – 4/26/19
2 nd Renewal	2/26/19		4/27/19 – 4/26/20

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 Food Services – Auxiliary and Mid-Valley Childcare Center – Auxiliary budgets for FY 2018 – 2019 and FY 2019 – 2020 pending Board approval of the budget.

8) Risk Management Consultant Services (Renewal)

Renew the risk management consultant services contract with **Cameron Investment Company/dba Shepard Walton King Insurance Group** (McAllen, TX), for the period beginning May 1, 2019 through April 30, 2020, at an estimated amount of \$19,500.00.

Purpose – The Office of Accountability and Risk Management is requesting to renew the contract for risk management consultant services for the annual review and recommendations concerning the College's insurances.

Justification and Benefit – The risk management services consultant will assist the College with identifying property and casualty risk, evaluating current insurance coverage, soliciting and evaluating proposals for insurance coverage, and providing safety training to staff as needed.

Background – The Board awarded the contract for risk management consultant services at the March 28, 2017 Board of Trustees meeting for a one-year period with four one-year annual renewals. The second renewal period begins May 1, 2019 through April 30, 2020.

Award	Board Meeting Date	Original Term	Renewal Term
Original	3/28/17	5/1/17 – 4/30/18	4 – one year options
1 st Renewal	2/06/18		5/1/18 – 4/30/19
2 nd Renewal	2/26/19		5/1/19 – 4/30/20

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 Insurance budget for FY 2018 - 2019 and FY 2019 - 2020 pending Board approval of the budget.

D. Technology Items

9) Computers and Laptops (Purchase)

Purchase of computers and laptops from the State of Texas Department of Information Resources (DIR) approved vendor **Dell Marketing, LP.** (Dallas, TX), at a total amount of \$88,211.56.

All purchase requests for computers and tablets have been evaluated by Technology Resources and the Chief Information Officer. Technology Resources does not have refurbished systems available for new hires. Instructional and/or business need must be clearly identified/justified for any equipment that is outside standard configuration or does not replace existing office systems. (Ex. mobile devices)

An itemized list with justification is included for your review and information.

Information Technology used the following criteria when recommending the purchase of technology:

- Systems being requested meet the South Texas College standard configuration

- The new systems will replace an older model (5+ years and out of warranty)
- Software requirements exceed the system capacity

The purchases can be summarized as follows:

- Staff Computers
 - ⇒ 1 Computer for Facilities, Operations, & Maintenance
 - ⇒ 2 Computers for Computer Science Program
- Student Computers
 - ⇒ 105 Computers for Learning Commons & Open Labs
- Faculty Laptops
 - ⇒ 1 Laptop for Chemistry Program
 - ⇒ 1 Laptop for Physics Program
- Staff Laptops
 - ⇒ 1 Laptop for Business Office
 - ⇒ 1 Laptop for Department of Public Safety
 - ⇒ 1 Laptop for Student Assessment Center
 - ⇒ 1 Laptop for Accountability, Risk, & Compliance
 - ⇒ 1 Laptop for Educational Technologies
 - ⇒ 1 Laptop for Chemistry Program

Funds for these expenditures are budgeted in the requesting department budgets for FY 2018 - 2019 as follows: Facilities, Operations, & Maintenance Department, Computer Science Department, Learning Commons & Open Labs, Business Office, Department of Public Safety, Student Assessment Center, Accountability, Risk, & Compliance, Physics, and Educational Technologies.

10) Network Equipment Replacements (Purchase)

Purchase network equipment replacements from **Insight Public Sector** (Tempe, AZ/McAllen, TX), a Department of Information Resources (DIR) approved vendor, at a total amount of \$184,240.46.

Purpose - Information Technology is requesting the purchase of thirty-seven (37) network switches, forty-six (46) fiber module connectors, twenty-one (21) uninterrupted power supplies, and one-hundred (100) desktop/office phones to replace end of life and out of support equipment college-wide.

Justification and Benefit - Information Technology needs to purchase the network switches, fiber connectors, uninterrupted power supplies, and phones to replace existing end of life and end of support equipment. The network switches provides network connectivity to our different building as well as connect security cameras for surveillance. The fiber connectors are used to connect our network switches from floor to floor and building to buildings at high speeds. The UPSs are used to prevent data loss on network devices due to power outages,

power surges and spikes. The Cisco phones will be used to replace existing outdated office phones. This equipment will be installed district wide.

Funds for this expenditure are budgeted in Systems and Networking budget for FY 2018 - 2019.

E. Interlocal Agreements

11) Facility Usage Interlocal Agreements (Lease/Rental)

Lease/Rental facility usage interlocal agreements with the **City of Mission – Mission Event Center** (Mission, TX), for the period beginning June 14, 2019 through August 24, 2019, at an estimated amount of \$6,500.00.

Purpose – The Office of Professional Development is requesting lease/rental of facilities for various South Texas College professional development events.

Justification and Benefit – The two (2) facility usage interlocal agreements are for South Texas College Office of Professional Development events held throughout the year for STC faculty and staff. The events are as follows:

Date	Location	Events	Amount
6/14/19	Mission Event Center	South Texas Leadership Academy for Staff	\$ 3,250.00
8/24/19	Mission Event Center	Adjunct/Dual Enrollment Professional Development Day	\$ 3,250.00

Funds for this expenditure are budgeted in the Office of Professional Development budget for FY 2018 - 2019.

F. Rescind of Award

12) Food Service - Starr County Campus (Rescind Award)

Rescind the award to **Taqueria Hidalgo, LLC.** (Rio Grande City, TX) for the Food Service - Starr County Campus cafeteria. The awarded vendor indicated to College staff that he made an error on the commission proposed to the College. The vendor proposed a 10% commission to the College based on net sales. After the award notification was made, the vendor informed the College that his intent was to propose a commission based on net profit.

Recommendation:

It is requested that the Finance, Audit, and Human Resources Committee recommend for Board approval at the February 26, 2019 Board meeting the award of proposals, purchases, renewals, interlocal agreements, and rescind of award as listed below:

A. Award of Proposals

B. Instructional Items

C. Non-Instructional Items
D. Technology Items
E. Interlocal Agreements
F. Rescind of Award

A. Award of Proposals

- 1) **Purchase of Medium Duty Trucks (Award):** award the proposal for the purchase of medium duty trucks to **Weslaco Motors, LP.** (Weslaco, TX), at a total amount of \$89,716.82;
- 2) **Security Cameras (Award):** award the proposal for security cameras to **Security Solutions of DFW** (Dallas, TX), at a total amount of \$94,850.00;

B. Instructional Items

- 3) **Clinical Skills Mannequins (Purchase):** purchase clinical skills mannequins from **CAE Healthcare, Inc.** (Sarasota, FL), a sole source vendor, at a total amount of \$79,796.72;
- 4) **Training Simulator (Purchase):** purchase a training simulator from **CAE Healthcare, Inc.** (Sarasota, FL), a sole source vendor, at a total amount of \$56,280.85;

C. Non-Instructional Items

- 5) **Police and Security Vehicle Emergency Lighting and Equipment (Purchase):** purchase of police and security vehicle emergency lighting and equipment from **Fleet Safety Equipment** (La Feria, TX), a Texas Association of School Boards – Buyboard approved vendor, for the period beginning February 27, 2019 through August 31, 2019, at a total amount of \$89,500.00;
- 6) **Shuttle Bus (Purchase):** purchase a shuttle bus from **Creative Bus Sales, Inc.** (Irving, TX), a Houston-Galveston Area Council (HGAC) approved vendor, at a total amount of \$85,860.00;
- 7) **Food and Related Non-Food Products (Renewal):** renew the food and related non-food products contracts for the period beginning April 27, 2019 through April 26, 2020, at an estimated amount of \$320,000.00, based on prior year expenditures. The vendors are as follows:
 - **Devin Distributing & Packaging, Inc.** (Palmhurst, TX)
 - **Labatt Food Service** (Harlingen, TX)
 - **Sysco Central Texas, Inc.** (New Braunfels, TX)
 - **Valley Grocers, LLC.** (Brownsville, TX)
- 8) **Risk Management and Consultant Services (Renewal):** renew the risk management and consultant services contract with **Cameron Investment Company/ dba Shepard Walton King Insurance Group** (McAllen, TX), for the period beginning May 1, 2019 through April 30, 2020, at an estimated amount of \$19,500.00;

D. Technology Items

- 9) Computers and Laptops (Purchase):** purchase computers and laptops from the State of Texas Department of Information Resources (DIR) approved vendor, **Dell Marketing, LP.** (Dallas, TX), at a total amount of \$88,211.56;
- 10) Network Equipment Replacements (Purchase):** purchase network equipment replacements from **Insight Public Sector** (Tempe, AZ/McAllen, TX), a Department of Information Resources (DIR) approved vendor, at a total amount of \$184,240.46;

E. Interlocal Agreements

- 11) Facility Usage Interlocal Agreements (Lease/Rental):** lease/rental facility usage interlocal agreements with the **City of Mission – Mission Event Center** (Mission, TX), for the period beginning June 14, 2019 through August 24, 2019, at an estimated amount of \$6,500.00;

F. Rescind of Award

- 12) Food Service - Starr County Campus (Rescind Award):** rescind the award to **Taqueria Hidalgo, LLC.** (Rio Grande City, TX) for the Food Service - Starr County Campus cafeteria. The awarded vendor indicated to College staff that he made an error on the commission proposed to the College. The vendor proposed a 10% commission to the College based on net sales. After the award notification was made, the vendor informed the College that his intent was to propose a commission based on net profit.

Recommend Action - The total for all award of proposals, purchases, renewals, interlocal agreements, and rescind of award is \$1,114,456.41.

SOUTH TEXAS COLLEGE
1. PURCHASE OF MEDIUM DUTY TRUCKS
PROJECT NO. 18-19-1034

VENDOR			Bert Ogden Motors, Inc.		Kyrish Truck Centers		Weslaco Motors, LP.	
ADDRESS			4216 Hwy 281		4911 N Cage Blvd		2229 E Expressway 83	
CITY/STATE/ZIP			Edinburg, TX 78539		Pharr, TX 78557		Weslaco, TX 78599	
PHONE			956-381-4444		956-233-4149		956-252-1763	
CONTACT			John Dietz		BJ McKinney		Fernando De La Garza	
#	Qty	Description	Unit Price	Extension	Unit Price	Extension	Unit Price	Extension
1	2	Medium Duty Truck with Van Body (16' Long Body) - Current Year	\$ 57,925.70	\$ 115,851.40	\$ 52,244.00	\$ 104,488.00	\$ 44,858.41	\$ 89,716.82
2	1	Delivery Charges, if any:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Option 1								
3	1	Medium Duty Truck with Van Body (20' Long Body) - Current Year	\$ 57,076.75	\$ 57,076.75	\$ 53,714.00	\$ 53,714.00	\$ 47,550.52	\$ 47,550.52
4	1	Delivery Charges, if any:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5	1	Medium Duty Truck with Van Body (20' Long Body) - 2017 New	\$ 55,271.89	\$ 55,271.89				
Option 2								
6	1	Medium Duty Truck with Van Body (14' Long Body) - Current Year	\$ 56,257.59	\$ 56,257.59	\$ 50,216.00	\$ 50,216.00		
7	1	Delivery Charges, if any:	\$ -	\$ -	\$ -	\$ -		
Delivery Information								
8	Number of days for delivery upon placement of order:		90 Days on the 14 & 16' units, 3-4 weeks on the 20' units - In stock just need the box		65 Days		1-35 Days - Trucks will have an extended power train warranty of 5 yrs/ 125,000 miles included	
TOTAL PROPOSAL AMOUNT			\$ 115,851.40		\$ 104,488.00		\$ 89,716.82	
TOTAL EVALUATION POINTS			85.38		****		95.66	
RANKING			2		****		1	

****Vendor did not submit required documents therefore not evaluated.

SOUTH TEXAS COLLEGE
1. PURCHASE OF MEDIUM DUTY TRUCKS
PROJECT NO. 18-19-1034
EVALUATION SUMMARY

VENDOR		Bert Ogden Motors, Inc.		Weslaco Motors, LP.	
ADDRESS		4216 Hwy 281		2229 E Expressway 83	
CITY/STATE/ZIP		Edinburg, TX 78539		Weslaco, TX 78599	
PHONE		956-381-4444		956-252-1763	
CONTACT		John Dietz		Fernando De La Garza	
1	The purchase price. (up to 50 points)	38.72	38.72	50	50
		38.72		50	
		38.72		50	
2	The reputation of the vendor's goods or services . (up to 10 points)	9	9	9	9
		9		9	
		9		9	
3	The quality of the vendor's goods or services. (up to 18 points)	17	17.33	17	17.33
		18		18	
		17		17	
4	The extent to which the vendor's goods or services meet the College's needs. (up to 18 points)	17	17.33	17	17.33
		18		18	
		17		17	
5	The vendor's past relationship with the College. (up to 3 points)	3	3	2	2
		3		2	
		3		2	
6	The impact on the ability of the College to comply with laws relating to Historically Underutilized Businesses. (up to 1 point)	0	0	0	0
		0		0	
		0		0	
TOTAL EVALUATION POINTS		85.38		95.66	
RANKING		2		1	

**SOUTH TEXAS COLLEGE
2. SECURITY CAMERAS
PROJECT NO. 18-19-1042**

VENDOR			Circle Industries		Halifax Security, Inc./dba North American Video		Security Solutions of DFW	
ADDRESS			815 W Tyler Ave		301 Drum Point Rd		14456 Midway Rd	
CITY/STATE/ZIP			Harlingen, TX 78550		Brick, NJ 08723		Dallas, TX 75244	
PHONE			833-424-7253		732-477-0686		469-621-1543	
FAX					732-477-0886			
CONTACT			Joel Hilliard		Suzanne Thomas		Ronald D. Ruegge	
#	Qty	Description	Unit Price	Extension	Unit Price	Extension	Unit Price	Extension
Security Cameras								
1	25	Avigilon 12.0-H4F-DO1-IR (12MP Fisheye Camera with IR)	\$ 800.00	\$20,000.00	\$ 686.00	\$17,150.00	\$ 652.00	\$16,300.00
2	69	Avigilon 8.0-H4A-D1-IR (8MP Indoor Dome Camera with Analytics and IR)	\$ 1,000.00	\$69,000.00	\$ 843.00	\$58,167.00	\$ 812.00	\$56,028.00
3	6	Avigilon 16C-ACC6-ENT (16 Channel Enterprise License)	\$ 3,329.63	\$19,977.78	\$ 2,778.00	\$16,668.00	\$ 2,702.00	\$16,212.00
4	1	Avigilon 4C-ACC6-ENT (4 Channel Enterprise License)	\$ 855.56	\$ 855.56	\$ 727.00	\$ 727.00	\$ 694.00	\$ 694.00
5	1	Shipping/Handling	\$ 99.00	\$ 99.00	\$ 100.00	\$ 100.00	\$ 212.00	\$ 212.00
TOTAL PROPOSAL AMOUNT			\$ 109,932.34		\$ 92,812.00		\$ 89,446.00	
Additional Licenses								
6	2	Avigilon 16C-ACC6-ENT (16 Channel Enterprise License)	\$ 3,329.63	\$ 6,659.26	\$ 2,778.00	\$ 5,556.00	\$ 2,702.00	\$ 5,404.00
TOTAL AMOUNT FOR ADDITIONAL LICENSES			\$ 6,659.26		\$ 5,556.00		\$ 5,404.00	
TOTAL PROPOSAL AMOUNT WITH ADDITIONAL LICENSE			\$ 116,591.60		\$ 98,368.00		\$ 94,850.00	
TOTAL EVALUATION POINTS			86.03		94.53		96.99	
RANKING			3		2		1	

**SOUTH TEXAS COLLEGE
2. SECURITY CAMERAS
PROJECT NO. 18-19-1042
EVALUATION SUMMARY**

VENDOR		Circle Industries		Halifax Security, Inc./dba North American Video		Security Solutions of DFW	
ADDRESS		815 W Tyler Ave		301 Drum Point Rd		14456 Midway Rd	
CITY/STATE/ZIP		Harlingen, TX 78550		Brick, NJ 08723		Dallas, TX 75244	
PHONE		833-424-7253		732-477-0686		469-621-1543	
FAX		855-289-0222		732-477-0886		972-980-1410	
CONTACT		Joel Hilliard		Suzanne Thomas		Ronald D. Ruegge	
1	The purchase price and the long cost to the College to acquire the vendor's goods and/or services. (up to 50 points)	40.7	40.7	48.2	48.2	50	50
		40.7		48.2		50	
		40.7		48.2		50	
2	The reputation of the vendor and the vendor's goods and/or services. (up to 10 points)	9	9	9	9	10	9.66
		9		9		10	
		9		9		9	
3	The quality of the vendor's goods and/or services. (up to 18 points)	17	17.33	17	17.33	17	17.33
		17		17		17	
		18		18		18	
4	The extent to which the vendor's goods and/or services meet the College's needs. (up to 18 points)	17	17	17	17	17	17
		17		17		17	
		17		17		17	
5	The vendor's past relationship with the College. (up to 3 points)	2	2	3	3	3	3
		2		3		3	
		2		3		3	
6	The impact on the ability of the College to comply with laws and rules relating to Historically Underutilized Business. (up to 1 point)	0	0	0	0	0	0
		0		0		0	
		0		0		0	
TOTAL EVALUATION POINTS		86.03		94.53		96.99	
RANKING		3		2		1	

SOUTH TEXAS COLLEGE
3. CLINICAL SKILLS MANNEQUINS

NAME			CAE Healthcare, Inc.	
ADDRESS			6300 Edgelake Dr	
CITY/STATE/ZIP			Sarasota, FL 34240	
PHONE			281-450-5523	
FAX			941-377-5590	
CONTACT			Justin Kurtz	
#	Qty	Description	Unit Price	Extension
1	5	Juno Complete Medium	\$ 8,796.00	\$ 43,980.00
2	5	Tablet (Included)	\$ -	\$ -
3	4	Juno Complete Medium	\$ 8,654.18	\$ 34,616.72
4	4	Tablet (Included)	\$ -	\$ -
5	1	Shipping and Handling	\$ 1,350.00	\$ 1,350.00
6	1	Promotional Shipping Credit	\$ (150.00)	\$ (150.00)
TOTAL AMOUNT			\$ 79,796.72	

SOUTH TEXAS COLLEGE
4. TRAINING SIMULATOR

NAME			CAE Healthcare Inc.	
ADDRESS			6300 Edgelake Dr	
CITY/STATE/ZIP			Sarasota, FL 34240	
PHONE			281-450-5523	
FAX			941-377-5590	
CONTACT			Justin Kurtz	
#	Qty	Description	Unit Price	Extension
1	1	Apollo PH Medium/Lenovo Simulator	\$ 39,125.45	\$ 39,125.45
2	1	Lenovo PC (Included)	\$ -	\$ -
3	1	Touch-Pro Wireless Patient Monitor	\$ 2,074.80	\$ 2,074.80
4	2	Core On-Site Education Course for One Simulator	\$ 3,117.40	\$ 6,234.80
5	1	Extra Battery for Apollo	\$ -	\$ -
6	1	System Installation	\$ 2,730.00	\$ 2,730.00
7	1	Shipping and Handling	\$ 514.80	\$ 514.80
8	1	Premier Assurance for Apollo Pre-Hospital - (Year 1)	\$ -	\$ -
9	1	Premier Assurance for Apollo Pre-Hospital - (Year 2)	\$ 5,601.00	\$ 5,601.00
TOTAL AMOUNT			\$ 56,280.85	

SOUTH TEXAS COLLEGE
5. POLICE AND SECURITY VEHICLE EMERGENCY
LIGHTING AND EQUIPMENT

NAME			Fleet Safety Equipment	
ADDRESS			4809 Kroger Blvd	
CITY/STATE/ZIP			Greensboro, NC 27409	
LOCAL ADDRESS			202 Industrial Way La Feria, TX	
PHONE			281-728-1400	
CONTACT			Darrin Hope	
#	Qty	Description	Unit Price	Extension
1	1	Police and Security Vehicle Emergency Lighting and Equipment Period: 2/27/19 - 8/31/19	\$ 89,500.00	\$ 89,500.00
TOTAL AMOUNT			\$ 89,500.00	

SOUTH TEXAS COLLEGE
6. SHUTTLE BUS

NAME			Creative Bus Sales, Inc.	
ADDRESS			4955 W Northgate Dr	
CITY/STATE/ZIP			Irving, TX 75062	
PHONE			512-202-2920	
FAX			512-7506115	
CONTACT			Jeff Johnson	
#	Qty	Description	Unit Price	Extension
1	1	Universal Shuttle Bus - 16 Passengers and 2 Wheel Chair Spaces	\$ 59,549.00	\$ 59,549.00
2	1	Additional Accessories	\$ 19,499.00	\$ 19,499.00
3	1	Body Upgrade	\$ 3,748.00	\$ 3,748.00
4	1	Additional Seating and Seating Upgrade	\$ 2,599.00	\$ 2,599.00
5	1	Base AC System Delete	\$ (3,795.00)	\$ (3,795.00)
6	1	Side Dest Sign Window with Structure	\$ 310.00	\$ 310.00
7	1	All Exterior and Interior LED Lighting	\$ 1,450.00	\$ 1,450.00
8	1	HGAC Processing Fee	\$ 600.00	\$ 600.00
9	1	Shipping and Handling	\$ 1,900.00	\$ 1,900.00
TOTAL AMOUNT			\$ 85,860.00	



Purchasing and Distribution Services
3200 W. Pecan Blvd., McAllen TX 78501

t (956) 872-4681
f (956) 872-4688

P.O. Box 9701, McAllen, TX 78502-9701
www.SouthTexasCollege.edu

January 18, 2019

Devin Distributing Packaging, Inc.
Attn: Mr. David Gutierrez
4109 N Conway
Palmhurst, TX 78573

Dear Mr. Gutierrez:

On March 28, 2017, South Texas College awarded a contract to Devin Distributing Packaging, Inc. for Food and Related Non-Food Products. The award allowed for two one-year renewal options on the contract if the terms and conditions remain the same. We are currently in the last few months of the second year of the contract and would like to renew for an additional one-year period. The last renewal period will be from April 27, 2019 through April 26, 2020 with a 10% price escalation.

We are requesting that you respond to us in writing if this would be acceptable to your company. For your convenience, we are providing a place for your signature approval at the bottom of the letter. If in acceptance of this extension, you may sign where indicated. The letter may be return via fax at (956) 872-4688 or email to Becky Cavazos at beckyc@southtexascollege.edu.

Sincerely,

Rebecca R. Cavazos
Director of Purchasing

Renewal of contract accepted through April 26, 2020 with no change in terms and conditions as per the South Texas College bid previously submitted.

Authorized Signature: _____

Name Printed: _____

Date: _____



Purchasing and Distribution Services
3200 W. Pecan Blvd., McAllen TX 78501

(956) 872-4681
(956) 872-4688

P.O. Box 9701, McAllen, TX 78502-9701
www.SouthTexasCollege.edu

January 18, 2019

Labatt Food Service
Attn: Mr. Jesse Camacho
902 North Expressway 77
Harlingen, TX 78550

Dear Mr. Camacho:

On March 28, 2017, South Texas College awarded a contract to Labatt Food Service for Food and Related Non-Food Products. The award allowed for two one-year renewal options on the contract if the terms and conditions remain the same. We are currently in the last few months of the second year of the contract and would like to renew for an additional one-year period. The last renewal period will be from April 27, 2019 through April 26, 2020.

We are requesting that you respond to us in writing if this would be acceptable to your company. For your convenience, we are providing a place for your signature approval at the bottom of the letter. If in acceptance of this extension, you may sign where indicated. The letter may be return via fax at (956) 872-4688 or email to Becky Cavazos at beckyc@southtexascollege.edu.

Sincerely,

Rebecca R. Cavazos
Director of Purchasing

Renewal of contract accepted through April 26, 2020 with no change in terms and conditions as per the South Texas College bid previously submitted.

Authorized Signature: _____

Name Printed: _____

Date: _____



Purchasing and Distribution Services
3200 W Pecan Blvd McAllen TX 78501

(956) 872-4681
(956) 872-4686

P.O. Box 9701, McAllen, TX 78502-9701
www.SouthTexasCollege.edu

January 18, 2019

Sysco Central Texas, Inc.
Attn: Mr. Neal Burney
1260 Schwab Rd
New Braunfels, TX 78132

Dear Mr. Burney:

On March 28, 2017, South Texas College awarded a contract to Sysco Central Texas, Inc. for Food and Related Non-Food Products. The award allowed for two one-year renewal options on the contract if the terms and conditions remain the same. We are currently in the last few months of the second year of the contract and would like to renew for an additional one-year period. The last renewal period will be from April 27, 2019 through April 26, 2020 with a 4% price escalation.

We are requesting that you respond to us in writing if this would be acceptable to your company. For your convenience, we are providing a place for your signature approval at the bottom of the letter. If in acceptance of this extension, you may sign where indicated. The letter may be return via fax at (956) 872-4688 or email to Becky Cavazos at beckyc@southtexascollege.edu.

Sincerely,

Rebecca R. Cavazos
Director of Purchasing

Renewal of contract accepted through April 26, 2020, with no change in terms and conditions as per the South Texas College bid previously submitted.

Authorized Signature: _____

Name Printed: _____

Date: _____

2-06-19



Purchasing and Distribution Services
3200 W. Pecan Blvd., McAllen TX 78501

t (956) 872-4681
f (956) 872-4688

P.O. Box 9701, McAllen, TX 78502-9701
www.SouthTexasCollege.edu

January 18, 2019

Valley Grocers, LLC
Attn: Mr. David Cardona
634 East Fronton Street
Brownsville, TX 78520

Dear Mr. Cardona:

On March 28, 2017, South Texas College awarded a contract to Valley Grocers, LLC. for Food and Related Non-Food Products. The award allowed for two one-year renewal options on the contract if the terms and conditions remain the same. We are currently in the last few months of the second year of the contract and would like to renew for an additional one-year period. The last renewal period will be from April 27, 2019 through April 26, 2020 with a 4% price escalation.

We are requesting that you respond to us in writing if this would be acceptable to your company. For your convenience, we are providing a place for your signature approval at the bottom of the letter. If in acceptance of this extension, you may sign where indicated. The letter may be returned via fax at (956) 872-4688 or email to Becky Cavazos at beckyc@southtexascollege.edu.

Sincerely,

Rebecca R. Cavazos
Director of Purchasing

Renewal of contract accepted through April 26, 2020, with no change in terms and conditions as per the South Texas College bid previously submitted.

Authorized Signature: David Cardona

Name Printed: DAVID CARDONA

Date: 1-25-2019

**NO
BACKUP
FOR**

**8. Risk Management
and Consultant
Services (Renewal)**

SOUTH TEXAS COLLEGE
9. DISTRICT WIDE TECHNOLOGY REQUEST
FEBRUARY 12, 2019

COMPUTERS					
#	Qty	Description	Unit Price	Extension	Requesting Department
1	1	Computer 3060 MT, i5-8400 Processor, 500GB Hard Drive, 8GB Memory	\$705.00	\$705.00	Facilities, Operations & Maintenance - Luis De La Garza
		Intel Integrated Graphics, 20" Monitor, Warranty			New system for new dept staff
2	105	Computer 3060 MT, i5-8400 Processor, 500GB Hard Drive, 8GB Memory	\$705.00	\$74,025.00	Learning Commons & Open Labs - Leila Salinas
		Intel Integrated Graphics, 20" Monitors, Warranty			Replacement of out of warranty systems for student lab
3	1	Computer 3060 MT, i5-8400 Processor, 500GB Hard Drive, 8GB Memory	\$1,004.98	\$1,004.98	Computer Science Program - Saeed Molki
		Intel Integrated Graphics, (2) 24" Monitors, Warranty			New system for dept staff
4	1	Computer 3060 MT, i5-8400 Processor, 500GB Hard Drive, 8GB Memory	\$720.00	\$720.00	Computer Science Program - Saeed Molki
		Intel Integrated Graphics, 22" Monitor, Warranty			New system for dept staff
		COMPUTER TOTAL		\$76,454.98	
LAPTOPS					
#	Qty	Description	Unit Price	Extension	Requesting Department
5	1	Mobile Precision 7530 XCTO Base, Intel Core Xeon E-2176M, 32GB Memory,	\$3,048.38	\$3,048.38	Department of Public Safety - Paul Varville
		512GB Hard Drive, Intel WiFi Link 9260 Wireless Driver, USB-C, Warranty			New system for dept staff
6	1	Laptop Latitude 5290 2-in-1 BTX Base, Intel Core i5-8350U, 256GB Hard Drive,	\$ 1,189.00	\$1,189.00	Student Assessment Center - Guadalupe A. Lozano
		Battery, 8GB Memory, Intel Dula Band Wireless Driver, Warranty			New system for dept staff
7	1	Laptop Latitude 5490 BTX, Intel Core i5-8350U, 256GB Hard Drive	\$925.00	\$925.00	Accountability, Risk, & Compliance - Jason Gutierrez
		Battery, 8GB Memory, Intel Dual Band Wireless Driver, Warranty			New system for dept staff
8	1	Laptop Latitude 5490 XCTO, 8th Gen Intel Core i7-8650U, 512GB Hard Drive	\$2,102.20	\$2,102.20	Educational Technologies - Maria L Evans
		Battery, 16GB Memory, Intel Dual Band Wireless Driver, Mouse, Adapter, Warranty			New system for dept staff
9	1	Laptop Latitude 5490 BTX, Intel Core i5-8350U, 256GB Hard Drive	\$925.00	\$925.00	Business Office - Myriam Lopez
		Battery, 8GB Memory, Intel Dual Band Wireless Driver, Warranty			New system for dept staff
10	2	Laptop Latitude 5290 2-in-1 BTX Base, Intel Core i5-8350U, 256GB Hard Drive,	\$ 1,189.00	\$2,378.00	Chemistry Program - Ravindra C. Nandigam
		Battery, 8GB Memory, Intel Dula Band Wireless Driver, Warranty			New systems for dept faculty (1) and staff (1)
11	1	Laptop Latitude 5290 2-in-1 BTX Base, Intel Core i5-8350U, 256GB Hard Drive,	\$ 1,189.00	\$ 1,189.00	Physics Program - Ravindra C. Nandigam
		Battery, 8GB Memory, Intel Dula Band Wireless Driver, Warranty			New system for dept faculty
		LAPTOP TOTAL		\$11,756.58	
		COMPUTER/LAPTOP TOTAL		\$88,211.56	

SOUTH TEXAS COLLEGE
10. NETWORK EQUIPMENT REPLACEMENTS

NAME			Insight Public Sector	
ADDRESS			6820 South Harl Ave	
CITY/STATE/ZIP			Tempe, AZ 85283	
LOCAL ADDRESS			2712 N McColl Rd McAllen, TX	
PHONE			956-465-8080	
FAX			630-295-7881	
CONTACT			Darak Weaver	
#	Qty	Description	Unit Price	Extension
1	15	Tripp Lite UPS Smart 1500VA 1350W Rackmount AVR 120V Pure Sine Wave USB DB9 SNMP 2URM-UPS-1.35kW-1500 VA	\$ 501.30	\$ 7,519.50
2	5	Tripp Lite UPS Smart 2200VA 1920W Rackmount AVR Pure Sign Wave 100V/110V/120V USB DB9 2URM Energy Star-UPS-1920 Watt-2200 VA	\$ 750.65	\$ 3,753.25
3	21	Tripp Lite UPS Wen Management Accessory Card SNMP Remote Monitoring HTML5-Remote Management Adapter	\$ 210.90	\$ 4,428.90
4	20	Tripp Lite EnviroSense2 Environmental Sensor Module with Temperature, Humidity and Digital Inputs-Environmental Module	\$ 102.90	\$ 2,058.00
5	1	Tripp Lite UPS Smart Online 10000VA 9000W 208/120V Rackmount 10kVA USB DB9 Manual Bypass Switch Hot Swap 10URM-UPS-9 kW-10000 VA	\$ 5,108.73	\$ 5,108.73
6	2	Tripp Lite 240V 3U Rackmount Battery Pack Enclosure	\$ 1,002.64	\$ 2,005.28
7	45	TriCentric Patch Cable - 1m - Yellow	\$ 8.28	\$ 372.60
8	30	TriCentric Patch Cable - 3m - Yellow	\$ 9.47	\$ 284.10
9	60	TriCentric Patch Cable - 3m - Aqua	\$ 10.65	\$ 639.00
10	20	TriCentric Patch Cable - 1m - Yellow	\$ 8.28	\$ 165.60
11	60	TriCentric Patch Cable - 3m - Yellow	\$ 9.47	\$ 568.20
12	5	TriCentric Patch Cable - 5m - Yellow	\$ 10.65	\$ 53.25
13	30	TriCentric Cisco GLC-LH-SMD Compatible SFP Transceiver-SFP (mimi-GBIC) Transceiver Module-GigE	\$ 47.62	\$ 1,428.60
14	16	TriCentric Cisco SFP-10G-LRM Compatible SFP+ Transceiver-SFP+Transceiver Module-10GigE	\$ 238.10	\$ 3,809.60
15	100	Cisco IP Phone 7841 - VoIP Phone	\$ 156.95	\$ 15,695.00
16	31	Catalyst 9200L 24-Port PoE+Only, 4x10G Uplinks, K12	\$ 1,812.45	\$ 56,185.95
17	31	C9200L Network Advantage, 24-Port License K12	\$ 571.90	\$ 17,728.90
18	31	North America AC Type A Power Cable	\$ -	\$ -
19	62	Catalyst 9200 Blank Stack Module	\$ -	\$ -
20	31	Config 5 Power Supply Bank	\$ -	\$ -
21	6	Catalyst 9500 16-Port 10G, K12	\$ 6,923.00	\$ 41,538.00
22	6	C9500 Network Advantage, Low-Density License K12	\$ 2,580.00	\$ 15,480.00
23	6	Universal	\$ -	\$ -
24	6	950W AC Config 4 Power Supply Front to Back Cooling	\$ -	\$ -
25	6	950W AC Config 4 Power Supply Front to Back Cooling	\$ 903.00	\$ 5,418.00
26	12	North America AC Type A Power Cable	\$ -	\$ -
27	6	Catalyst 9500 Network Module Blank Cove	\$ -	\$ -
TOTAL AMOUNT			\$ 184,240.46	

SOUTH TEXAS COLLEGE
11. FACILITY USAGE INTERLOCAL AGREEMENTS

NAME			City of Mission - Mission Event Center	
ADDRESS			200 N Shary Rd	
CITY/STATE/ZIP			Mission, TX 78572	
PHONE			956-580-8650	
CONTACT			Fatima Garcia	
#	Qty	Description	Unit Price	Extension
1	1	South Texas Leadership Academy for Staff - 6/14/19	\$ 3,250.00	\$ 3,250.00
2	1	Adjunct/Dual Enrollment Professional Development Day - 8/24/19	\$ 3,250.00	\$ 3,250.00
TOTAL AMOUNT			\$ 6,500.00	

NO BACKUP FOR

12. Food Service - Starr County Campus (Rescind Award)

Review and Action as Necessary on Disposal of Surplus Property Valued at \$5,000 and Over

Approval to dispose of surplus property valued at \$5,000 and over through a live auction will be requested at the February 26, 2019 Board of Trustees meeting.

Purpose – The Fixed Assets Department is requesting the disposal through a live auction of surplus property valued at \$5,000 and over. In addition, these capital assets will be removed from the College's fixed assets ledger.

Justification – It is necessary to dispose of obsolete, damaged, and not functioning property for safety purposes and due to the lack of storage area for surplus property.

Background – The surplus property goes through an evaluation process by the departments to determine if the items are damaged beyond repair and unable to be utilized district wide. After this evaluation process, the department submits a request to have the property removed from the department and relocated to the Shipping and Receiving Warehouse for auction.

The auction items are located at the South Texas College, Central Receiving, 3700 W. Military Hwy., McAllen, TX. The auction will be scheduled in the Spring at the auctioneers' site due to lack of space at the Central Receiving Warehouse.

Reviewers – These items have been inspected by the Central Receiving staff and pending to be disposed after Board approval.

The items valued over \$5,000 are included in the College's inventory through the Banner system.

Enclosed Documents - The listing of the items to be auctioned follows in the packet for the Committee's review and information.

Mary Elizondo, Vice President for Finance and Administrative Services and Becky Cavazos, Director of Purchasing, will be present at the February 12, 2019 Finance, Audit, and Human Resources Committee meeting to address any questions by the committee.

It is requested that the Finance, Audit, and Human Resources Committee recommend for Board approval, at the February 26, 2019 Board meeting, the disposal of surplus property valued at \$5,000 and over through a live auction and for these capital assets to be removed from the College's fixed assets ledger as presented.

SOUTH TEXAS COLLEGE
SURPLUS PROPERTY VALUED AT \$5,000 AND OVER LIST 56 AND 3
FEBRUARY 4, 2019

Pallet	Qty	Description	Serial Number	Silver Tag	Green Tag	Purchase Date	Amount	Ptag	Net Book Value	Condition
27	1 ea	Commercial Refrigerator Trainer		0000000019		8/31/1993	\$ 5,631.00	000001061	\$ -	Obsolete
1	1 ea	CPR-4050 Mega Codre ACLS: Deluxe Plus		0000001810		8/11/1998	\$ 6,249.11	000002368	\$ -	Obsolete
25	1 ea	Hampden H-IMD-1 Ice Machine Demonstrator	71390	0000002951	5000000187	10/2/1998	\$ 7,694.75	000003002	\$ -	Obsolete
26	1 ea	Hampden H-MACK-9C Refrigeration Demonstrator	71391	0000002953	5000000186	10/2/1998	\$ 5,632.00	000003003	\$ -	Obsolete
1	1 ea	Retractable Bed Advanced Series	110547M08A	0000002959		2/5/1999	\$ 5,800.20	000003008	\$ -	Obsolete
1	1 ea	Chevalier Surface Grinder P/N FSG-618M	A3885023	0000003062		8/30/1999	\$ 6,866.50	000003872	\$ -	Obsolete
1	1 ea	Chevalier AC Freq Drive P/N FM-3FS	BM882314	0000003063		8/30/1999	\$ 9,049.75	000003873	\$ -	Obsolete
1	1 ea	1105F59 Hillrom Hospital Bed	1105-40P92-A	0000003618		4/12/2000	\$ 6,217.69	000004331	\$ -	Obsolete
32	1 ea	Cathsim Intravenous Trainer #32100	SFST0290339	32418	5000001791	5/10/2001	\$ 16,235.00	000006277	\$ -	Incomplete
21	1 ea	Hampden H-CRT-3 Refrigeration Demonstrator	79675	0000006097	5000002646	7/10/2001	\$ 9,235.30	000006461	\$ -	Obsolete
1	1 ea	Tandberg 800 Elmo EV2000	804471	0000006458		7/25/2001	\$ 14,988.00	000006570	\$ -	Obsolete
20	1 ea	Hampden H-IMD-1 Ice Machine Demonstrator	80333	0000005736	5000001137	8/20/2001	\$ 5,917.00	000006632	\$ -	Obsolete
28	1 ea	TECUMSEH BHL 1175 Refrigeration Trainer	K01410071	0000006158		2/28/2002	\$ 5,537.50	000007478	\$ -	Obsolete
28	1 ea	TECUMSEH BHL1175 Refrigeration Trainer	D01406616	0000006159		2/28/2002	\$ 5,537.50	000007479	\$ -	Obsolete
1	1 ea	Goprint Paystation P/N GS-1		6755		3/5/2002	\$ 5,643.47	000007267	\$ -	Obsolete
1	1 ea	Goprint Paystation P/N GS-1		6757		3/5/2002	\$ 5,643.49	000007269	\$ -	Obsolete
1	1 ea	Goprint Paystation P/N Gs-1		0000006758		3/5/2002	\$ 5,643.49	000007270	\$ -	Obsolete
1	1 ea	Video Pro VP300	6712477	0000006840		3/5/2002	\$ 6,723.40	000007556	\$ -	Obsolete
1	1 ea	Video Pro VP300	6712465	0000006839		4/8/2002	\$ 6,723.40	000007555	\$ -	Obsolete
1	1 ea	Snap-On Brake Lathe P/N Eebr105b	VBG22056	0000007777		6/24/2002	\$ 5,780.00	000007804	\$ -	Obsolete
1	1 ea	Exp Multimed Cabinet Smart SE1-503	SE1-2490	0000008428		7/24/2003	\$ 5,408.00	000009226	\$ -	Obsolete
24	1 ea	Drykor UDT 7.5 Dehumidifier	1527-04	15868	5000007441	4/21/2006	\$ 5,025.00	N00012792	\$ -	Obsolete

 Grant Funded Assets

Review and Recommend Action on Disposal/Recycle of Technology and Electronic Items with an Original Value of \$5,000 and Over

Approval will be requested at the February 26, 2019 Board of Trustees meeting for dispose/recycle of technology and electronic items with an original value of \$5,000 and over through the Texas Department of Criminal Justice (TDCJ), a state of Texas agency approved to properly recycle technology and electronic items is requested.

Purpose – The Fixed Asset/Inventory Department is requesting the disposal/recycle of technology and electronic items to be in compliance with the Environmental Protection Agency (EPA) regulations. TDCJ provides an environmentally sound way to dispose of surplus technology equipment. In addition, these capital assets will be removed from the College's fixed assets ledger.

Justification – As technology and electronic items become obsolete, out of warranty or not functioning, it is disposed of according to South Texas Board Policy #5135 Disposal of Surplus Property. TDCJ is the method of disposal to comply with all EPA regulations. They will clean data from all systems, recycle systems that can be repaired for inmate training or donation to schools and damaged systems are properly disposed of.

Background – The surplus technology and electronics goes through an evaluation process by the departments to determine if the items are damaged beyond repair and unable to be utilized district wide. After this evaluation process, the department submits a request to have the property removed from the department and relocated to the Shipping and Receiving Warehouse. Central Receiving evaluates the technology and confirms that the technology is ready for recycling.

The technology and electronic items are located at the South Texas College, Technology Campus, Central Receiving, 3700 West Military Hwy Building D, McAllen, Texas.

Reviewers – These items have been inspected by the Information Technology, Educational Technologies, and approved by the Vice President for Information Services, Planning and Strategic Initiatives to be disposed after Board approval.

Enclosed Documents - A listing of the technology and electronic items to be disposed/recycled follows in the packet for Committee's information and review.

Mary Elizondo, Vice President for Finance and Administrative Services, Dr. David Plummer, Vice President for Information Services, Planning and Strategic Initiatives, and Becky Cavazos, Director of Purchasing, will be present at the February 12, 2019 Finance, Audit, and Human Resources Committee meeting to address any questions by the committee.

It is requested that the Finance, Audit, and Human Resources Committee recommend for Board approval at the February 26, 2019 Board meeting, the disposal/recycle of technology and electronic items with an original value of \$5,000 and over through the Texas Department of Criminal Justice (TDCJ), a State of Texas agency approved to properly recycle technology

and electronic items and for these assets to be removed from the College's fixed assets ledger as presented.

SOUTH TEXAS COLLEGE
TECHNOLOGY AND ELECTRONICS FOR DISPOSAL/RECYCLE VALUED OVER \$5,000.00 LIST #4
FEBRUARY 4, 2019

Pallet	Qty	Description	Serial Number	Silver Tag	Green Tag	Purchase Date	Amount	Ptag	Net Book Value	Condition
G1	1 ea	HP 750C Plotter	ESA6610634	0000000545		2/20/1997	\$ 5,203.50	000000870	\$ -	Obsolete
G1	1 ea	MP/16 Modem Pool V.34	21KGB9M7RZJL	0000001506		7/14/1998	\$ 5,311.00	000002541	\$ -	Obsolete
G1	1 ea	ID Color Card Printer Fargo	A0102374	0000004870		8/8/2000	\$ 5,223.00	000004712	\$ -	Obsolete
G1	1 ea	ID Color Card Printer Fargo	A0102367	0000004871		8/8/2000	\$ 5,223.00	000004713	\$ -	Obsolete
G1	1 ea	IBM PC Cash Drawer	23GVZ09	0000005289		8/31/2000	\$ 7,433.96	000005703	\$ -	Obsolete
G1	1 ea	IBM PC Cash Drawer	23GVZ03	0000005290		8/31/2000	\$ 7,433.96	000005704	\$ -	Obsolete
G1	1 ea	IBM PC Cash Drawer	23GVY94	0000005294		8/31/2000	\$ 7,433.96	000005708	\$ -	Obsolete
G1	1 ea	IBM PC Cash Drawer	23GVY82	0000005297		8/31/2000	\$ 7,433.96	000005711	\$ -	Obsolete
G1	1 ea	IBM PC Cash Drawer	23GVX18	0000005299		8/31/2000	\$ 7,433.96	000005713	\$ -	Obsolete
G1	1 ea	3.7 Aluminum Dish	AP02195	0000005082		1/23/2001	\$ 17,399.98	000006030	\$ -	Obsolete
G1	1 ea	HP Printer C7779C DJ800PS 24"	568A85104P	0000004643		4/16/2001	\$ 5,495.00	000006191	\$ -	Obsolete
G1	1 ea	Toshiba Phone System		0000005711		4/26/2001	\$ 21,934.93	000006299	\$ -	Obsolete
G1	1 ea	Compaq Pc M1530 2 Pentium Iii Xeon	D115FPWOK009	0000004575		6/7/2001	\$ 12,678.18	000006363	\$ -	Obsolete
G1	1 ea	Programmable Camera P/N AD8ECSX	24652875	0000005240		8/31/2001	\$ 71,272.22	000006693	\$ -	Obsolete
G1	1 ea	Dual Ethernet Router	GRX0532K63T	0000006445		8/24/2001	\$ 8,970.30	000006705	\$ -	Obsolete
G1	1 ea	Teaching System Robotel	83097	0000004714		8/2/2001	\$ 15,098.00	000006714	\$ -	Obsolete
G1	1 ea	IBM Register	41-WKW77	0000004686		8/31/2001	\$ 6,460.25	000006896	\$ -	Obsolete
G1	1 ea	Panasonic Scanner	6141XCC1316	0000007757		8/31/2001	\$ 6,563.33	000006966	\$ -	Obsolete
G1	1 ea	HP Printer C7097A LJ Network Ready	JPMB031486	0000006741		1/22/2002	\$ 5,546.00	000007275	\$ -	Obsolete
G1	1 ea	LCD Sony Projector		0000006935		11/13/2001	\$ 5,019.05	000007517	\$ -	Obsolete
G1	1 ea	Sharp XGA LCD Projector 1700 Ansi Lumens	109324683	0000006944		1/16/2002	\$ 5,643.32	000007539	\$ -	Obsolete
G1	1 ea	Sharp XGA LCD Projector 1700 Ansi Lumens	102317777	0000006932		1/16/2002	\$ 5,643.32	000007541	\$ -	Obsolete
G1	1 ea	Sony LCD Projector	105320636	0000006927		11/13/2001	\$ 5,019.05	000007546	\$ -	Obsolete
G1	1 ea	Dell PC Precision 530	75YIL11	0000007077		6/24/2002	\$ 5,861.45	000007790	\$ -	Obsolete
G1	1 ea	Sharp XGA LCD Projector		0000007264		7/31/2002	\$ 5,030.00	000007791	\$ -	Obsolete
G2	1 ea	Server Adapter Proliant M1330 G2	6J26KH33000C	0000007238		7/17/2002	\$ 6,161.00	000008306	\$ -	Obsolete
G2	1 ea	Sharp XGA LCD Projector	111326048	0000007882	5000004490	8/28/2002	\$ 5,210.00	000008430	\$ -	Obsolete
G2	1 ea	Sharp XGA LCD Projector	5932	0000007880		8/28/2002	\$ 5,210.00	000008431	\$ -	Obsolete
G2	1 ea	Ethernet Router Cisco 2621	JMX0628K3LN	0000007857		6/21/2002	\$ 6,653.39	000008439	\$ -	Obsolete
G2	1 ea	Polycom Viewstation	12729080	0000021147	5000004873	1/9/2003	\$ 10,362.06	000008928	\$ -	Obsolete

Grant Funded Assets

SOUTH TEXAS COLLEGE
TECHNOLOGY AND ELECTRONICS FOR DISPOSAL/RECYCLE VALUED OVER \$5,000.00 LIST #4
FEBRUARY 4, 2019

Pallet	Qty	Description	Serial Number	Silver Tag	Green Tag	Purchase Date	Amount	Ptag	Net Book Value	Condition
G2	1 ea	Xerox Color Printer 7700	LGM404159	0000007542		12/3/2002	\$ 8,715.04	000008965	\$ -	Obsolete
G2	1 ea	HP Color LaserJet Printer C9663A	JPBKF20815	0000007606		11/6/2002	\$ 6,353.00	000008972	\$ -	Obsolete
G2	1 ea	Concurrent Connection Ax-Sc-Sw/Wx-Sc-Sw	CQ300782	0000007602		11/21/2002	\$ 8,861.00	000008976	\$ -	Obsolete
G2	1 ea	Compact Proliant ML350 Server	6J27KQV6T004	0000007590		9/19/2002	\$ 6,344.00	000009156	\$ -	Obsolete
G2	1 ea	Proliant Server	D252KJN2D146	0000008336		1/10/2003	\$ 5,175.00	000009186	\$ -	Obsolete
G2	1 ea	HP LJ 5500HDN Printer	JPFK000808	0000008411		6/16/2003	\$ 5,150.00	000009220	\$ -	Obsolete
G2	1 ea	Proliant DI380 Processor P/N 257917-001	D323KJN2H96H	0000008517		8/28/2003	\$ 7,198.81	000009327	\$ -	Obsolete
G2	1 ea	Proliant DI380 Processor P/N 257917-001	D327KJN2H089	0000008518		8/28/2003	\$ 5,630.81	000009328	\$ -	Obsolete
G2	1 ea	HP Proliant Server 72.8 GB 286778-B22	D350MFG51655	0000008319		1/9/2004	\$ 5,182.00	000009422	\$ -	Obsolete
G2	1 ea	HP LaserJet 9000 Printer	JPBQN09375	0000008629		11/5/2003	\$ 7,368.00	000009425	\$ -	Obsolete
G2	1 ea	Test Console	E9U15329	0000008531		11/20/2003	\$ 5,250.00	000009426	\$ -	Obsolete
G2	1 ea	Test Console	E9U15327	0000008528		11/20/2003	\$ 5,250.00	000009427	\$ -	Obsolete
G2	1 ea	Test Console	E9U15328	0000008529		11/20/2003	\$ 5,250.00	000009428	\$ -	Obsolete
G2	1 ea	Test Console	E9U15326	0000008530		11/20/2003	\$ 5,250.00	000009429	\$ -	Obsolete
G2	1 ea	Test Console	E9U15330	0000008526		11/20/2003	\$ 5,250.00	000009430	\$ -	Obsolete
G2	1 ea	Kodak I260 Duplex Scanners	12650901	0000008892		1/30/2004	\$ 5,029.91	000009755	\$ -	Obsolete
G2	1 ea	Catalyst 3560	CAT0822Y1PE	0000010834		6/8/2004	\$ 5,450.11	000010271	\$ -	Obsolete
G2	1 ea	Catalyst 6509	CNM3AZ0BRA	0000009244		6/8/2004	\$ 67,953.33	000010273	\$ -	Obsolete
G2	1 ea	Cisco System 3560 Catalyst	CAT082020ZD	0000009249		6/8/2004	\$ 5,449.60	000010279	\$ -	Obsolete
G2	1 ea	Catalyst 3560	CAT0822Y1X8	0000009252		6/8/2004	\$ 5,408.10	000010291	\$ -	Obsolete
G2	1 ea	Catalyst 2950	FHK0819YOCQ	0000009261		6/8/2004	\$ 5,376.09	000010308	\$ -	Obsolete
G2	1 ea	Cisco System 3500 Series XL Catalyst	CAT0834X296	0000009286		6/8/2004	\$ 6,292.33	000010455	\$ -	Obsolete
G2	1 ea	Catalyst 3560	CAT0822Y1QM	0000009302		8/31/2004	\$ 5,234.42	000010543	\$ -	Obsolete
G2	1 ea	Proliant DI380	EA3FLDN73D	0000010891		10/29/2004	\$ 5,317.00	000010702	\$ -	Obsolete
G2	1 ea	Proliant DI380	EA3CLDN73D	0000010892		10/29/2004	\$ 5,116.00	000010703	\$ -	Obsolete
G2	1 ea	Extron Switcher	816766027	0000011110		12/15/2004	\$ 5,207.55	000012287	\$ -	Obsolete

 Grant Funded Assets

Review and Action as Necessary on Award of Investment Advisory Services

Approval of proposal for investment advisory services to Valley View Consulting, L.L.C. for the initial period of April 1, 2019 through March 31, 2021 with two one-year options to renew will be requested at the February 26, 2019 Board meeting.

Purpose - The services of an investment advisory firm provide the College with professional advice related to investments, yield rate, risks, accuracy and completeness of College's investment policy and other important information on an as needed basis. The firm will act as a strategic investment planner for the College and develop an investment portfolio plan that is diversified and consistent with the College's Investment Policy, objectives and guidelines and Texas State Law.

Justification - In order to properly and safely expand into new types of investments and maximize the yield rate on the College's investment, administration recommended that the services of an investment advisor provides professional guidance regarding the College's investment portfolio.

The investment advisor augments the College's effort to be fiscally responsible and minimize risk in its investment activities. The investment advisor stays abreast of investment markets and provides the investment options to the College for review by the Finance and Human Resource Committee and approval by the Board of Trustees, if applicable.

Background - Proposal documents were advertised on November 29, 2018 and December 6, 2018, and issued to seven (7) vendors. Four (4) responses were received on December 14, 2018 and evaluated by the Vice President for Finance and Administrative Services, Business Office, and Purchasing Department. The respondents were:

- First Southwest Asset Management, LLC
- Patterson & Associates
- Public Trust Advisors, LLC
- Valley View Consulting, LLC

The Committee evaluated the proposals submitted and determined that the top ranked firm is Valley View Consulting, L.L.C. They are a Securities and Exchange Commission (SEC) registered investment advisory firm serving public entities in a variety of cash and investment management and consulting role. They have a total of 9 senior managers and associates with a combined Texas public funds experience exceeding 200 years. Each member would play an integral role in providing their expertise to fulfill the investment contract objectives of the College. Valley View Consulting, L.L.C.'s office of record and registration is in Virginia and maintains an office in Horseshoe Bay, Texas.

Additional positive information related to Valley View Consulting L.L.C. is as follows:

- Exclusively provided investment and consulting services to public entities since inception (1998).

- Two Investment Advisors, Richard Long and Susan Anderson, have proved Public Funds Investment Acct (PFIA) required public fund investor training through the University of North Texas for almost two decades and were involved with the original drafting of the PFIA and subsequent reviews of proposed amendments.
- Several of the Investment Advisors are Certified Government Finance Officer and members of the Government Finance Officers Association of Texas and Government Treasurers' Association of Texas.
- One of the Investment Advisors, Susan Anderson, held an officer position in the Government Treasurers' Organization of Texas and also chaired their Legislative Committee.
- Maintains an online reporting system that the College staff may access for real-time data.
- Maintains a client/consultant ratio of 8 to 1.
- The firm provides a customized client relationship.

Funds for this expenditure are budgeted in the Investment Advisor budget for FY 2018 – 2019 and FY 2019 -2020 pending Board approval of budget

Reviewers – Mary Elizondo, Vice President for Finance and Administrative Services, Becky Cavazos, Director of Purchasing, Myriam Lopez, Comptroller, Katarina Bugariu, Associate Comptroller and Dalinda Gamboa, Accounting Group Manager reviewed the four (4) responses.

Enclosed Documents – The Summary of Proposals and the Evaluation follow in the packet for Committee's information and review.

Mary Elizondo, Vice President for Finance and Administrative Services, Becky Cavazos, Director of Purchasing and Myriam Lopez, Comptroller will be present at the February 12, 2019 Finance, Audit and Human Resources Committee meeting to address any questions by the committee.

It is requested that the Finance, Audit and Human Resources Committee recommend for Board approval at the February 26, 2019 Board meeting, the proposal for investment advisory services to Valley View Consulting, L.L.C. for the initial period beginning April 1, 2019 through March 31, 2021 with two one-year options to renew.

**SOUTH TEXAS COLLEGE
INVESTMENT ADVISORY SERVICES
PROJECT NO. 18-19-1031**

NAME	First Southwest Asset Management, LLC.	Patterson Capital Management, LP.	Public Trust Advisors, LLC.	Valley View Consulting, LLC.
ADDRESS	1201 Elm St Ste 3500	901 S MoPac Ste 195	707 17th St Ste 1850	2428 Carters Mill Rd
CITY/STATE/ZIP	Dallas, TX 75270	Austin, TX 78746	Denver, CO 80202	Huddleston, VA 24104
PHONE	214-953-8874	512-320-5042	513-823-2023	540-297-3419
FAX	512-481-2020		303-292-3492	
CONTACT	Vickie Hall	Linda Patterson	Chris DeBow	Richard G. Long, Jr.
4.1 COMPANY INFORMATION				
A. Provide the following information				
1. The full, legal name of the firm	First Southwest Asset Management, LLC.	Patterson Capital Management, LP.	Public Trust Advisors, LLC.	Valley View Consulting, LLC.
2. The firm address and contact information (headquarters and branch offices)	1201 Elm Street Suite 3500, Dallas, TX 75270 / 300 West Sixth Street Suite 1940, Austin, TX 78701	Barton Oaks Plaza II, 901 S MoPac Expway Ste 195, Austin, TX 78746	707 17th Street Suite 1850, Denver, CO 80202	2428 Carters Mill Road, Huddleston, VA 24104
3. The location of the office from which the work will be done if firm is selected	Austin, Texas	Austin, Texas	Denver, Colorado	Horseshoe Bay, Texas
4. The number of years in business	28	25	7.5	20
5. The type of organization (Individual, Partnership, Corporation, etc.)	Limited Liability Company	Limited Partnership	Limited Liability Company	Limited Liability Company
6. The number of employees	840 (26 in investment management) - 7 investment professional in Austin Office will work with the college	4	56	9 team members
B. Provide a financial rating of your company and any documentation (such as a Dunn and Bradstreet Analysis), which indicates the financial stability of your company.	Registered with the SEC but doesn't have a separate credit rating. As of 11/30/18, First Southwest's Excess Net Capital position is \$195.19 million (at 12/31/16 -\$125.52 million, 12/31/17-\$176.25 million)	Privately held company and is not rated	As a limited liability company, Public Trust does not have a rating. Provided most recent audited financial statements.	Small, privately held LLC has been a service provider for over 20 years and is committed to allocating the resources necessary to complete the Colleges objectives; confident we have the ability, commitment, and financial resources to provide the services the College desires; DUNS #133480298
C. Confirm that your organization is registered under the Investment Advisors Act of 1940 or with the Texas Security Board.	Registered with the SEC as an investment advisor (SEC #/01-40189) and has notice filed with the Texas State Securities Board.	Registered with the SEC , CRD # at SEC is 110735.	Registered with SEC , CRD# 159189	Qualifies for national registration - SEC registration file # 801-56181. THE SEC registration includes a Notice Filing to the State of Texas.
D. Confirm that your company either carries professional liability insurance with limits of \$10,000,000 each occurrence or, if selected by STC, would be able to obtain such insurance coverage prior to the execution of the Agreement.	FSAM maintains professional liability coverage for a limit of \$10,000,000 (includes purchase or sale of securities as approved by FSAM)	Carries \$5 million in E&O professional insurance through Chubb Insurance. Industry standard for investment advisory firms which are not connected to a brokerage firm or are structured as an affiliate of a brokerage firm because of the risk associated with such a relationship.	Excess Professional Liability insurance in the amount of \$10,000,000.	Maintains \$2,000,000 General Liability and \$4,000,000 Professional Liability insurance. Given the service requirements of the College, these levels have been acceptable in the past.
E. Confirm that your company is independent of any financial institution or any securities brokerage firm or that it shall fully and continuously disclose any such relationships with such financial institution and/or securities brokerage firm and further disclose any commissions, bonuses, or soft dollar payments resulting from the firm's relationship with STC.	Does not act broker or a dealer in securities. FSAM does not solicit bids, or purchase investments from affiliate. All transactions made for clients are performed on a competitive best execution basis with non-affiliated brokers/dealers. There are no other business affiliations that will affect the investment management or performance. Does not pay any finder's fees or share any revenues with other firms. FSAM does not receive any soft-dollar compensation.	Is an independent firm. Allows total access to all broker/dealer trading desk on a daily basis. Able to gather information from many sources, and execute trades with the dealer who provides the best value to our client with conflicting considerations.	Does not have conflicts of interest that may arise with firms that serve and are compensated from serving multiple roles within the public sector. Does not transfer revenues or profits from asset management firm to other joint ventures, subsidiaries or owner owned companies affiliated under a parent company structure. Prohibits the use of third party soft dollar arrangements. Customers are never charged for soft dollar research. Adopted written policies and procedures regarding trading and brokerage selection. The firm performs periodic reviews of all trading practices to help ensure that transactions are executed in the best interest of each individual client.	Valley View provides independent advice and consultation and is not affiliated with any investment pool, mutual fund, broker/dealer, financial institution, investment provider, or securities brokerage firm. Does not generate additional revenue, income, soft dollar, or other form of compensation , either disclosed or undisclosed, related to performing investment advisor services (with exception of rare, but fully disclosed "flex repo" or similar structured portfolio fees). No transactions will flow through an affiliated trading desk or be subject to additional price mark-up. No pool management or referral fees will be generated. No deposit broker or placement fees will be received. Recommendation and transactions are based on fulfilling the College's objective. Valley View's independence means that they derive revenues from their clients and from no other sources.
4.2 REFERENCES				
Provide a customer reference list of no less than five (5) organizations with whom you currently have a contract to provide services of equal type and scope as requested herein. The reference list is to include company name, contact person, telephone number and length of business relationship. References in higher education are preferred.	Yes (2 Colleges included) Alamo College Central Texas	Yes (4 Colleges included) Collin Del Mar San Jacinto Wharton	Yes (0 Colleges included)	Yes (1 College included) Austin

**SOUTH TEXAS COLLEGE
INVESTMENT ADVISORY SERVICES
PROJECT NO. 18-19-1031**

NAME	First Southwest Asset Management, LLC.	Patterson Capital Management, LP.	Public Trust Advisors, LLC.	Valley View Consulting, LLC.
4.3 QUESTIONNAIRE				
HISTORY & ORGANIZATION				
A. Describe the ownership structure of your organization, giving specific details with regard to your parent and any affiliated companies and include an explanation of lines of authority and communication.	First Southwest Asset Management, LLC, First Southwest Company, LLC and FSW Advisory Services, Inc., are wholly-owned subsidiaries of First Southwest Holdings LLC, which is a wholly-owned subsidiary of Hilltop Holding Securities LLC, which is wholly-owned by Hilltop Holdings Inc. (a publicly-traded company on the NYSE under ticker symbol HTH).	Small firm made up by a general Partner and a Limited Partner (which are owned by Ms. Patterson. She is a hands-on President of the firm and is involved daily in the operations and control of the firm and its transactions. Internally, the firm is managed and operates as a team of professional.	Founded in 2011 with single goal of providing relationship-focused asset management and advisory services. Firm is led by a team of individuals that bring a wealth of experience serving in senior level positions with some of that nation's largest fixed income investment management and financial advisory firms. Public Trust's experienced and well-resourced team combines significant portfolio management experience and robust credit research analysis to structure portfolios that meet each client's investment objectives and enhance the potential for higher returns. Has the size and scale to offer clients significant resources, technology and investment expertise. At the same time, provides highly personalized service investing the time to develop meaningful, long-term relationships with each client to fully serve their needs and ensure that each client receives value and service that exceeds expectations. Independent and privately owned, which ensures that the firm remains accountable to only the clients and not a parent company or outside investor. Goal and mission is to serve clients as we would serve ourselves, add value, manage risk and enhance returns through a focused and repeatable investment process.	SEC registered investment advisory firm serving public entities in a variety of cash and investment management and consulting roles. Company provides independent advice and consultation. Founded in 1998 and registered with SEC in 1999. Mr. Long owns the firm and has teamed with eight (8) members with a combined experience exceeding 200 years primarily working with Texas local governments. Since 2015, The Valley View team has been fully assessed the needs of the College, examine the current cash management policies and practices, review and manage bank relationships, and develop effective and comprehensive investment strategies. Utilizes a team approach involving all team members. 3 members will primarily provide investment strategy development and implementation. 2 members will support bank relationship selection and documentation. 1 member will provide monthly accounting and quarterly investment portfolio reporting. 2 members will assist as needed. Specific areas of focus are provided, but at any time another team member may provide any or all services to the College as needed.
B. Within the past three years, have there been any significant developments in your organization, such as changes in ownership, restructuring, or personnel reorganizations? Do you anticipate future significant changes in your organization?	There has been no significant developments in FSAM's organization, and no material changes affecting FSAM's ownership, structure or personnel are anticipated within the near future.	No	On 3/31/16, completed the acquisition of the investment management practice of BLX Group, LLC, a California based fixed income specialist with a successful 15-year track record of providing a full range of investment management solutions to the public sector. Strengthened platform and allowed to build upon its National presence by providing truly customized investment management , administrative and advisory solutions to the public sector. Do not anticipate future significant changes in organization.	Valley View has added staff to meet growing client base and anticipate maintaining the business objective. There have been no ownership, restructuring, or personnel reorganizations since inception, and none are anticipated.
C. Provide copies of your company's ADV Part I and II, as on file with the SEC, and proof or registration with the Texas State Securities Board.	See attached Form ADV As of 1/10/19 FSAM has not received the updated Certificate of Registration but will provide it to the College upon receipt.	Attached link to copies of forms.	Form ADV 2A is attached. Registered to do business in Texas	See attached forms ADV 1 & 2 Qualifies for national registration - SEC registration file # 801-56181. The SEC registration included a Notice Filing to the State of Texas.
D. Provide a list, along with any details and explanation , of all past, or pending litigation or claims filed against your company.	None	None	None	None
E. Is your company currently in default on any loan agreement or financing agreement with any bank, financial institution, or other entity? If yes, specify date(s), details, circumstances, and prospects for resolution.	No	No	No	No
F. Are there any circumstances specifically related to your investment consulting activities under which your firm, its officers or employees receive direct or indirect compensation from investment managers or brokers/dealers? If so, describe in detail.	No, none. FSAM does not receive any soft-dollar compensation or any other form of additional compensation for client transactions aside from the direct fee paid by clients.	No. Code of Ethics and operational and compliance controls prohibit any soft dollar transactions with any financial institution or broker/dealer or any other party.	No - as a truly independent management firm, Public Trust has a single revenue source -from the investment management and advisory services provided to clients.	Valley View is not affiliated with , nor receives direct or indirect compensation, from any investment managers or broker/dealers.
G. Summarize fidelity bond coverage, errors and omissions, employee dishonesty, fiduciary liability insurance, or other fiduciary coverage your firm carries.	FSAM maintains professional liability coverage for a limit of \$10,000,000, covering claims made in connections with its professional services. Covered professional services include the purchase or sale of securities as approved by FSAM.	Standard Commercial General Liability, automobile liability & umbrella coverage for \$2 million through State Farm; Worker's Compensation and employer's liability insurance through State Farm \$1 million; E&O Professional liability insurance \$5 million through Federal Insurance Company. Certificate of Insurance may be provided.	Maintains insurance required for Errors and Omissions, employee dishonesty, fiduciary liability insurance, or other fiduciary coverage. See Appendix B.	General Liability \$2,000,000; Professional Liability \$4,000,000; As needs or industry requirements increase, we are committed to maintaining the necessary coverages. In-line with industry standards.

**SOUTH TEXAS COLLEGE
INVESTMENT ADVISORY SERVICES
PROJECT NO. 18-19-1031**

NAME	First Southwest Asset Management, LLC.	Patterson Capital Management, LP.	Public Trust Advisors, LLC.	Valley View Consulting, LLC.
H. What is your firm’s experience in developing portfolio investment guidelines for universities/colleges, foundations, not for profits and/or public entities?	Since 1988, FSAM has assisted hundreds of governmental entities with development and implementation of investment policies, separate written investment strategies, and internal procedures. As a firm, have worked actively with representatives from state legislatures to adopt and make subsequent revisions to state investment laws. Vast experience with municipalities from debt issuance to arbitrage rebate compliance. Will be prepared as investment advisor, to revise, refine and clarify College's policy. Investment guidelines and procedures are developed or fine-tuned soon after initial contract is signed. Investment policies reviewed on annual basis for all clients. Over past 20 years, countless policies have been amended, clarified and refined based on FSAM suggestions.	The firm manages over 40 entities, directly involved in the development and annual reviews of the investment policy and all the factors on which the policy is based including the cash flows supporting the portfolio and the risk tolerance of the entity. The owner co-authored the Public Funds Investment Act and teaches nationally on investment policies and their importance to a safe and functioning investment program. Works with each of its clients to create or review their investment policy (reviewed for practicality and compliance each year). Reviewing and updating policies and guideline is done on an on-going basis to reflect changes in the marketplace as well as internally to the College. Ms. Patterson co-authored the Texas Public Funds Investment Act & Public Funds Collateral Act and served on the FGOA national Cash Committee (TIM) during the crucial years that the nationally recognized investment policy formats were established.	Significant experience in Texas and throughout the country in developing portfolio investment guidelines for universities/colleges and other public institutions. Believes that there should be clear policy constraints on sector/issuer concentrations, credit quality and maturity parameters, in order to prudently manage risk. In reviewing an investment policy they following a checklist to make sure all components are covered, including risk management. Also cite statute and Best Practices as published by GFOA. Complete thorough review of STC's policy and work with finance staff to discuss areas where policy may need standard updates or other changes to improve investment options, risk management, reporting, transparency, compliance etc. Ms. Duffy would lead the relationship team, has worked within and complied with extensive oversight and the governing bodies responsible for that oversight when managing funds for the New Mexico State Treasurer as Chief Investment Officer. Led the effort to update the investment policy, after the market lesson of 2008.	Team members have extensive Texas local government experience providing cash and investment management in conformance with the PFIA. 2 team members provide PFIA-required investment training to public sector investments officers through the University of North Texas. 3 members have served significant portions of their careers working for Texas governmental entities and have an knowledge of the inner workings of government finance departments. Valley View exclusively manages public sector portfolios and focuses all efforts on the types of investments and strategies that are appropriate for government entities. In addition they perform other substantial consulting activities that include cash and investment -related projects, but do not meet the definition of investment advisory services. These activities have direct beneficial application to the College's service requirements. Specializing in serving public fund investors and recognizes the challenges facing these clients are significantly different from non-governmental investors. Public fund investors face cash flow constraints, few staff resources and more limited investment options. Investment strategies and preferred investment products for governmental investor can be different.
I. Describe the in-house technical and research support services you have available. What other sources are used by the firm on a regular basis?	External research from S&P, Moody's and Fitch, and relies heavily on Bloomberg Information Systems for modeling, analysis and security research. Access to in-house research on certain municipal offerings, regional and sector market data, as well as internal "white papers" on money market reform to municipal advisory rule. Structured product desk in Dallas can perform bidding agent services if interest in Guaranteed Investment Contract or Flexible Repurchase Agreement. In-house continuing disclosure and arbitrage compliance-separate services.	Online real-time source, Bloomberg Analytics, multiple firms and their economists, utilize full resources of the market and connections to multiple firms. Broad and daily monitoring of the market sectors.	Utilizes in house research and modeling capabilities in addition to external sources for credit research. Systems provide significant information that is used during credit review process and for ultimate security selection and maturity decision. Including Standard and Poor's, Bloomberg provide additional data and information. Firm structure provides for on-going informal credit research discussions between credit team and portfolio management team. 85% credit research is generated internally. Supplements with well-known industry external research platforms and sophisticated risk management technology. Risk management is an enterprise wide process with formalized policies and procedures to protect and support client's interest by covering actual activities engaged in and risks exposed to. Customizing risk management has mitigated most commonly unmanaged risks with Local Government Investment Pools and separately managed accounts have been exposed during previous business cycles. Risk Architecture, Risk Strategy, and Risk Protocols. In risk hierarchy, believes that credit risk and portfolio management approach/execution rank as the most significant sources of risk - devote significant resources to manage these functions. Human approach is having a dedicated credit team that works closely with members of Public Trust's credit committee and portfolio managers. Each member of committee is responsible for understanding of permitted credits within clients' portfolios. Information is vetted formal and informal between credit committee and portfolio managers.	Utilizes cash-flow based individual portfolio strategy development. All recommendations will be customized and implemented specifically to achieve the College's objectives. Independent research for effective risk/return decisions; Bloomberg Investor Services, MuniOs, Treasury.gov, the Bond Buyer, The wall Street Journal, Reuters, The Laffer Report, Business Insider, Investor's Business Daily and select local/regional periodicals. Client specific approach and flexible implementation expand risk /return research to all client's authorized investment options. Ex. Researching direct-placed financial institution deposits and significant interest income advantage they provide. Searches for potential banks then negotiates acceptable documentation and collateralization.
J. Does your firm, its parent or affiliate sell information or any other services to investment managers? If so, describe in detail.	No	No	No	No
K. Describe the firms’ policy and process for identifying, resolving and disclosing conflicts of interest.	Conflict checks are conducted internally within the organization and the firm's Compliance department also monitors potential conflicts of interest pursuant to internal policies and procedures and MSRB rules. Should a conflict of interest arise, First Southwest would establish information barriers between certain FSAM personnel. Precise terms of policies that are implemented in the creation and maintenance of the information barrier is determined based on the facts and circumstances as they exist at the time and are tailored to meet specific requests, needs and requirements of clients.	Code of Ethics establishes all interactions on a competitive basis there should never be a conflict of interest because the interest of the client comes first. Any conflict would be investigated directly by the President and action would involve disciplinary and up to termination of the employee.	Independent Investment Advisor and does not have conflicts of interest that may arise with firms that serve and are compensated from serving multiple roles within the public sector. Do not transfer revenues or profits from asset management firm t other joint ventures, subsidiaries or owner owned companies affiliated under a parent company structure. The firm's Code of Ethics details policies and procedures for dealing with potential conflicts of interest.	In accordance with the SEC regulations, a Code of Ethics is maintained to ensure professional behavior of all representatives and to establish controls over conflicts of interest, among other things. All licensed representatives of Valley View are required to undergo annual review of the Code of Ethics and other compliance-related rules, to sign a certification that they have received, read and commit to abide by the document, and must disclose all relevant personal investment holdings to Valley View's Chief Compliance Officer on a quarterly basis.

**SOUTH TEXAS COLLEGE
INVESTMENT ADVISORY SERVICES
PROJECT NO. 18-19-1031**

NAME	First Southwest Asset Management, LLC.	Patterson Capital Management, LP.	Public Trust Advisors, LLC.	Valley View Consulting, LLC.
PERFORMANCE & EMPLOYEES				
L. Explain your firm's strategies and practices for delivering a high level of customer service. Describe how the firm handles complaints, comments, or suggestions received. How is the firm managed for these types of services?	Highly personal. Manage all accounts on individual basis, and strive to be responsive at all times. Anticipate that College staff will speak with the same familiar group in Austin during the duration of the contract period. Listen carefully to client comments; responsive to suggestions on everything from communication methods to reporting; if complaint received it is formally reported to compliance department, a compliance officer would then contact client to determine if corrective action required.	Comments, suggestions and complaints are taken under advisement and discussion by the whole team to identify any applicability as well as any unforeseen problems. Complaints are addressed immediately. The owner is hands-on and attends immediately to any complain or problem, as well as comments and ideas.	Founded on the principal of client focused investment management and advisory services. Regards client servicing to be as important as the safety of the assets we manage on behalf of clients. Dedicated Team consists of 8 full time staff members and 2 portfolio managers for STC. Client service staff is available M-F 7:30-5 and customer service center is located in Denver, CO. Approach is to serve as an extension of staff and be considered internal resource for staff. Enhances clients' cash and investment management programs through efficiency and effectiveness. Public Trust is the manager and administrator of the Texas CLASS local government investment pool. As such there is unique opportunity of offer solution for STC's funds, both liquid and longer-term funds using Texas CLASS pools. If STC chooses to utilize one or both Texas CLASS pools, there is a pricing advantage for the blended solution model of investment management services. Any issues raised by client would be addressed with their the relationship manager or portfolio manager. An issue needing escalation would go to the Managing Director of Sales. All disputes are documented, and resolution shared with the client.	Ability to provide a customized relationship with that client by fully understanding the client's unique needs and must be able to develop a investment portfolio that meets or exceeds that client's expectations. Must be able to communicate complex financial concepts in a way that is easily understood by client and their governing body, and must be readily available to address any question or issue that may arise. A small list of select clients is kept to deliver the high degree of customer service. Compliance Manual establishes how comments, suggestions, and complaints are to be handled. It states that all complaints must be reported to the Chief Compliance Officer immediately. Chief Compliance Officer is responsible for ensuring all client complaints are handled in accordance with applicable laws, rules and regulations.
M. How many clients does the firm currently have using this service and how many employees are assigned?	48 asset management clients with 7 professionals-added staff when workload increases	43 public entity clients - portfolios are assigned to a one of our three lead portfolio managers. The assignment addresses similar portfolio needs and structures as well as geographic location which affects the ratio. The ratio cannot be reduced to an arithmetic formula but reflects the individual management needs and structures of the portfolios. Assignment is based on needs and designed for the best service available.	71 Clients as of 9/30/18. The firms employees 8 investment advisory professional. Advisor/client ratio is ~1:9	56 full investment advisory clients and 7 registered advisor representatives, the average client/advisor rate is 8
N. How many portfolios has the firm added in the past year? Please provide details. In addition, please provide the names of all new client relationships gained in the last three (3) years.	Austin, ISD, City of Buda, Frisco ISD, City of New Braunfels, Ysleta ISD, Spring ISD, West Harris Country Regional Water Authority, North Texas Municipal Water District and North Fort Bend Water Authority.	2018 - 5 (3 ISDs and 2 Cities) 2016 - 2017 - 2 (1 College and 1 City)	During 2018 - 6 new clients Public Trust does not share client information without permission due to confidentiality clauses in contracts. References provided for 5 clients (who gave permission)	2018 - 8 investment advisory clients (1 College, 2 cities, 1 town, 4 ISD) 2016-2017 8 investment clients (4 Cities, 1 county, 1 utility, 1 water, 1 town)
O. How many portfolios has the firm lost in the past year? Please provide details. In addition, please provide the names of all clients who have terminated your firm's services in the last three (3) years. In each case, provide details of the reason terminated.	None	2018 - 1 portfolio (ISD) - brought in-house 2016-2017 2 portfolios (City & ISD) - RFP lost to other advisor.	Public Trust has not been terminated by any clients since inception of the firm.	2 (County & City) - change of elected official and senior management. Neither was the result of poor performance.
P. Has your firm in the last year, lost an investment account due to malfeasance, lack of adherence to professional standard or general neglect?	No - Never lost an investment account due to malfeasance, lack of adherence to professional standards or neglect.	No - Never lost an investment account due to malfeasance, lack of adherence to professional standards or neglect.	No - Never lost an investment account due to malfeasance, lack of adherence to professional standards or neglect.	No - Never lost an investment account due to malfeasance, lack of adherence to professional standards or neglect.
Q. Include resumes indicating the qualifications of the staff that would be assigned to perform work for STC.	Included	Included	Included	Included
R. List senior staff hires and departures over the last three (3) years. For departures, indicate the reason for leaving.	None	One portfolio manager left in 2016 to move back to California and join his finance. David Meserve took that position when he joined.	In November 2017 Mr. Alton VP and Portfolio Manager left the firm to pursue other opportunities outside the governmental investment landscape. In March 2018 Mr. Toney Managing Director, Head of Credit Research left the firm. In March 2018, Mr. Gebel, CFA Director, joined the firm as a portfolio manager. In June 2018, Public Trust appointed Mr. Berents to the role of Head of Credit Research. Mr. Hunter, CFA and Mr. Harter joined within the past 12 months as part of the expansion of the credit research team.	No departures since inception. Mr. Hufstедler and Ms. Upshaw joined staff in 2016.

**SOUTH TEXAS COLLEGE
INVESTMENT ADVISORY SERVICES
PROJECT NO. 18-19-1031**

NAME	First Southwest Asset Management, LLC.	Patterson Capital Management, LP.	Public Trust Advisors, LLC.	Valley View Consulting, LLC.
S. Does your firm have a written code of conduct or ethics? How is it monitored and enforced?	Yes. All employees are required to sign a statement acknowledging they have read and understand written ethics requirements. Registered reps maintain continuing education on topics centering on ethics, conduct and industry practice. Compliance department monitors and enforces conduct. SEC oversees FSAM as a registered investment advisor. FSAM adheres to the Code of Professional and Ethical Standards as described by CFA Institute.	Written Code of Ethics is required for SEC registration. Been in place since 1994 and amended as conditions warranted. Compliance schedule is rigorously managed and upheld, requires each employee to review and certify to that review of the Code of Ethics, as well as other internal policies, each year. Copy is available upon request.	Maintains a Code of Ethics for the firm that all employees are required to adhere to which establishes the firm's expectations of its employees and sets forth a clear standard for them to follow. The principle of the Code of Ethics is to ensure the fiduciary obligations of all employees to our clients. The Code of Professional Conduct is reviewed at least annually by the compliance team and the CEO, with all employees required to provide annual acknowledgement. Material breach of the Code of Ethics by any employee may constitute grounds for disciplinary actions. Monitoring the provisions of Code of Ethics is conducted by members of the compliance team with testing and reviews being completed at various intervals throughout the year. Employee training on certain topics are conducted at least annually by the members of the compliance team.	Yes , maintains Code of Ethics to ensure professional behavior of all representatives and to establish controls over conflict of interests. All licensed representatives are required to undergo annual review of the Code of Ethics and other compliance-related rules to sign a certification that they have received, read and commit to abide by the document, and must disclose all relevant personal investment holdings to Valley View's COO on a quarterly basis. THE COO is responsible for monitoring and enforcement, and maintains a random and scheduled review routine.
T. Give a brief overview of the hardware and software systems used in producing reports? Do you offer on-line access to clients?	SS&C Technologies' CAMRA investment accounting and portfolio management system. CAMRA reports are AIMR-compliant and will be produced on monthly basis. Reports are available in an electronic medium format distributed monthly and quarterly in PDF and many reports can be exported in Excel format. Security market prices are obtained from independent sources-subscribe to Interactive Data Corporation to price most investment securities and use Bloomberg Financial Markets for pricing commercial paper and other instruments. All client data and CAMRA system are stored on secure network file server and backed up nightly.	SymPro - stand-alone system for fixed income investment portfolios; no online direct access into SymPro; choice to receive all monthly and quarterly reports electronically	Offers a reporting platform that allows multiple reporting options regarding investment activity within the portfolio in addition to portfolio analytics. The system also prepares GASB 40 and 72 information for annual reporting requirements. Statements also provide accounting information for cash basis and accrual basis accounting methods. Month end statements include: Summary of Investment activity and Detail Security Level Reports. Comprehensive online reporting platform with advanced capabilities that provide required industry standard information with client specific information. Detail Quarterly and annual reports incl quarterly/annual review and historical portfolio trends. Online reporting with PDF and excel download capabilities.	Quarterly Investment Reports will be prepared in compliance with PFIA and STC Investment Policy. Monthly accounting reports will be prepared. Tracker System, a web-based investment reporting system, is used. Reports are in PDF or downloaded into Excel. College staff can access data and reports on-line through Tracker website. Tracker portfolio software system utilizes a market standard calculation method. Rate of return is calculated within the system and verified by Valley View no less than quarterly. Market valuations are provided by the custody/safekeeping agent of the client, but can be compared to Bloomberg valuations to check for reasonableness. Provide a brief market overview as a component of the quarterly report and prepares monthly commentary article to review economic updates.
U. Describe your plans and methodology for performing the services requested, including an explanation of the frequency of communication between your company's staff and STC personnel.	Will meet with College staff within days of contract. We'll share information on our processes, set up reporting accounts and open a clearing account. We'll talk to your safekeeping agent and obtain wiring instructions. Expect to begin reviewing policy as soon as the decision is made and will provide written evaluation within days. Will work with the College on its cash flow so we have understanding of limitations. Next start discussing risk tolerance and strategy. Introduce staff and provide example trade tickets. Input existing investments into our reporting system and generate a prior period report set for review. Provide the approved broker/dealer list, a signed certification of policy and a contact list. Evaluate investments daily, and monitor existing portfolios regularly. Keep clients informed through regular economic e-mails, quarterly recaps, bi-weekly strategy calls and calls with our eternal economist. Happy to attend board quarterly meetings to present investment reports or present economic update and interest rate outlooks and answer questions.	Begin its needs and operational analysis by evaluating cash flows, statutes, strategies, policies, procedures and expectations. Cooperative effort between managers and client. Communication is key to initiate and maintain a good information flow as well as the needs of the portfolio. Each point is analyzed for feasibility and practical implementation. Establish an effective level of communications through the client's operations. Important to understand each client's unique goals, objectives, cash flows, risk tolerance levels. Intensive treasury review of the investment policy, systems, and reporting along with legal and policy compliance. On-site time with staff and management allows us to analyze the current procedures and systems. After initial policy decisions and information flows are determined they focus on (a) providing timely market information that affects the portfolio, (b) providing ongoing communication regarding the specific portfolio and it results. Provide a weekly newsletters with news and its interpretation as to how it will affect your portfolio. Will contact client when see value that will fit portfolio needs or cash flows. Will go into market for multiple competitive offers (after client approval) to get the best value available. Provide general understanding of the market. Will help create a customized, multi-use reporting package including daily details, weekly /monthly and quarterly reports in compliance with all legal requirements. Liquidity, diversification and yield are important and priorities. Quarterly reports include a market analysis and all reports comply with PFIA requirements. Annual GASB reporting for Statements 31, 40 and 72.	Complete initial and ongoing review of current investment program. Seek to understand the particular goals of the client's treasury management program. Develop and implement a program that is compliant with state and local laws and is inline with the risk tolerance of the client and meets the minimum requirements in the areas of asset allocation and maturity requirements, reporting , benchmarking, establishing roles and responsibilities, internal controls and investment procedures and competitive selection of investment. Client relationship approach is designed to be proactive and dynamic with the goal of building a relationship that involves several experienced investment professionals within the key aspects of the investment management function. Ensure client's investment objective and goals are met and also provide additional human and technical resources for more efficient and effective overall treasury management program. Analysis, Development and Implementation Cycle approach to investment management. Review portfolio holdings daily. Maintain detailed records and compliance is monitored daily. In addition to month end and quarter end reports, SC staff will have online access to the accounts. The cycle ensures the client's portfolio strategy continually seeks to minimize market value volatility, maximize investment return, prevent exposure to noncompliant securities and provide complete transparency. Structure is designed to provide a more in-dept understanding of the specific characteristics for each client's program.	Believe in the principles stressed by the PFIA and College's Investment Policy: Preservation and safety of principal, liquidity, cash flow requirements, diversity & Yield (risk appropriate). Portfolio strategy development will be suggested after thorough analysis and conclusive evidence that the adjustment provides long-term benefit to the College. Interest rate cycle timing and appropriate yield curve positioning provide the most effective and consistent yield enhancement. Services include research and analysis necessary for the College to formulate strategy recommendations. Operating: Review & recommend modifications to the Investment Policy, Assist in cash flow forecasting, analyze available products and institutions, interpret market conditions and trends, determine appropriate asset allocations, advise on long-range strategy selections, implement strategy within a competitive pricing environment, prepare calculations, accruals and reports, provide independent sources for investment market valuations, comply with Investment Policy and state and federal regulations, review procedures and documentation for management control, monitor broker/dealer and safekeeping relationships, attend occasional meetings an educate college staff on pertinent investment topics. Bond Proceeds: Developing and analyzing projected expenditure patterns, estimating expenditure period interest earnings, determining any appropriate investment policy changes, analyzing the effects of various investment strategies on the potential arbitrage liability, developing the optimum strategy,

SOUTH TEXAS COLLEGE
INVESTMENT ADVISORY SERVICES
PROJECT NO. 18-19-1031

NAME	First Southwest Asset Management, LLC.	Patterson Capital Management, LP.	Public Trust Advisors, LLC.	Valley View Consulting, LLC.
(Continuation) U. Describe your plans and methodology for performing the services requested, including an explanation of the frequency of communication between your company's staff and STC personnel.			<p>Analysis: In-depth review of current program and Cash flow Analysis / Investment Strategy</p> <p>Development: Consult with Client/Strategy Recommendations and Investment Strategy Development</p> <p>Implementation: Trades/ Compliance Review and Annual Comprehensive Review / Update</p> <p>Extensive experience specializing in short-duration, fixed-income investing specifically for the public-sector. Comfortable in public environment and understand the importance of compliance with statute and policy.</p> <p>Client Communication - Meet with STC staff on an ongoing basis at STC offices. Meet with clients in person on a quarterly basis, recognize that more frequent interactions, specifically during the initial phases of the relationship may warrant additional meetings. Meetings may include, planning sessions, quarterly reviews, School Board meetings, or other meetings as directed by STC. goal is to deliver comprehensive services to STC as if were an extension of STC's staff.</p>	<p>reviewing the draw schedule and portfolio performance as the projects progress, identifying potential arbitrage concerns and implementing any debt service fund investment strategies.</p> <p>Combining all concepts into active portfolio management will enhance portfolio return over long run. Main focus is on maintaining a discipline to protect and preserve assets over the long term without taking inordinate amounts of risk.</p> <p>Maturity Distribution: Before maturity extensions can be executed, an analysis of the cash flows must be instituted to ensure that adequate liquidity and safety remain at the forefront of the strategy and objectives.</p> <p>Managing Market Risk by Limiting Investment Maturities: Maintain a disciplined approach of regular investment purchases through a variety of market conditions. Allows the portfolio to offset unrealized losses with unrealized gains to reach a net mark-to-market spread that is lower than that of any individual security.</p> <p>Adjusting to Market Movements: Gradual targeted implementation of portfolio strategy hedges the portfolio against the uncertainty and allows portfolio to build towards its optimum long-term yield curve position. Same time, portfolio's weighted average maturity can be strategically adjusted to economic market movements.</p> <p>Adding potential returns through investment selections: Generally prefers diversified investment portfolios and works with each client to establish the optimal mix for their portfolio. As market condition change, they will adjust the selection process. Recognize that economic and market conditions over past few years have been extremely challenging and unique. Most important strategy to keep in mind is to ensure that all cash flow needs are covered and that a laddered approach to investing is practiced. Sector selection, becomes a secondary consideration as long as the portfolios invest in the types allowed by the PFIA and individual client investment policies. Understands that each client may have individual preferences for the communication of portfolio information. and economic update</p>
CLIENTELE				
V. Please provide a list of your major current clients, including universities/colleges, foundations, not-for profits and/or public entities.	Provided (2 colleges included)	Provided (4 colleges included)	5 clients provided (same as references and no Colleges or Universities in their list).	Provided (3 College)
W. What is the total market value of the portfolios you provide investment advisory services for your clients?	As of 9/30/18, FSAM managed approx. \$11.3 billion in assets for 48 public sector clients; served as investment advisor on \$5.5 billion for a total of \$16.8 billion in assets under management or advisory services	Total value of assets under management is \$5.5 billion. These are all public entities with the preponderance in Texas.	As of 9/30/18 \$30.9 billion in assets for 71 clients with more than 252 individual portfolios, exclusively for public entities.	49 clients as of 12/31/17 - approx. \$4.5 Billion assets under management (12.31.18 data is still being accumulated but 56 clients)
PORTFOLIO PERFORMANCE				
X. Submit anonymous illustrations of portfolio performance of three (3) current clients' portfolios. Provide details of the market characteristics, investment returns and risk assumed for each portfolio.	Provided	Provided	Provided	Provided

SOUTH TEXAS COLLEGE
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NAME	First Southwest Asset Management, LLC.	Patterson Capital Management, LP.	Public Trust Advisors, LLC.	Valley View Consulting, LLC.
Y. Continue the performances of the sample portfolios according to the market conditions that existed at that time. Identify the risk of tolerances of the client and the impact of the client’s risk tolerance on recommended investments. What would have been recommended if the client’s risk tolerances had been higher or lower?	All clients subject to Texas PFIA as well as investment policies designed to protect principal. All cases, cash flow restrictions further limit how far maturity can be extended and how much credit risk can be assumed. With the Fed raising rates four times in 2018, those portfolios with short WAM's benefited most. As the year progressed, the bond market started pricing-in more and more of the expected increases. In early October, three rate hikes were fully priced into the market. As an investment manager, this is an ideal situation to invest funds, as you are being paid upfront for increases that may or may not occur. Unfortunately, early October is poor timing for public funds as balances are typically quite low. It wasn't risk tolerance so much as cash flow restrictions that prevented us from extending at that time. Market yields have since retreated from their highs. If cash flows permitted, we would have liked to add Treasury and non-callable agency positions in the 24-30 month area yielding 3% or better. The proposed risk tolerance will be conservative, with safety of principal being the primary objective.	The risk tolerance levels of ach of the portfolios is reactively low. In addition to risk tolerance they are guided by their cash flow needs. Reflect a buy-and-hold mentality. In almost all cases had them extend their maximum maturity policy limits in order to take advantage of market opportunities or adjust to current market realities. In addition, as they become more comfortable with the more pro-active management style which an investment advisor can provide they tend to extend slightly as well as use more types of investments *such as commercial paper) which they might not have used when managing the portfolios internally. Risk comes from the markets but also their own conditions. As client risk tolerance levels rise we discuss all potential risks with clients and most often move towards a slightly higher credit risk, for example a A ratings versus AA on corporate or municipal debt,. Extensions are made if cash flows can handle them. If risk tolerances are lowered then we move to the portfolio back to the highest of credit quality and even a an shortening of weighted average maturities and maximum maturities. We do recommend building flexibility in to the investment policy so that changes in risk tolerance levels as well as market conditions can be made. Important factor in risk in a portfolio is that everyone understands the risks. Place education and understanding as high priority to make sure all parties are comfortable with approach, investment method/process and philosophy.	The primary characteristics that impact market risk for most public fund investment portfolios are sector allocation (credit risk) and duration (market risk). Believe in a very interactive process with sufficient review of statute, policy, cash flow and risk tolerance assessment in order to build a customized strategy for each and every client. Portfolio advisors consider the current portfolio structure with view of interest rate trends along with the client's risk tolerance and policy parameters to establish a strategy for investment portfolios liquidity and core. Dynamic process that is ongoing, key element in minimizing the impact of market (and other risks) associated with a fixed income portfolio. Considers the various types of risk associated with any fixed income investment portfolio and then actively manages those risks as part of investment strategy. Risk Management Strategies Credit Risk: Seek to minimize credit risk by investing in high quality securities and credit research. Market Risk: Use active portfolio management to immunize exposure to market risk based on target duration strategy. Reinvestment Risk: Utilize multiple duration strategies based on liquidity needs and market conditions while limiting reinvestment risk as appropriate. Long Term Portfolio Strategies High Quality Permitted Investments: Create portfolios with based on state statues, investment policy requirements, and market conditions. Manage Liquidity: Maturity distribution based on the cash flow analysis. Establish multiple duration approach to seek to enhance the performance. Historical Performance: Manage portfolio in accordance with established strategy and compare to appropriate benchmark.	The historical performance data occurred over various time frames. Since 2008 interest rates fell, remained low, and then rose quickly. Recent FOMC actions and the unintended consequence of a flattening yield curve raise current volatility. Future conditions will substantially influence strategy decisions. All clients adhere to investment objectives similar or identical to the College's and have chosen more restrictive policies and/or strategies than allowed by state legislation. In each case, portfolio enhancement focused on cash flow and yield curve management, versus credit risk elevation. FDIC insured and collateralized financial institution deposits have added measurable enhancement without increased credit risk. Risk tolerance, higher or lower, would primarily impact the amount and term of any laddering and not necessarily issuer (credit risk) selection. Valley View's client tend to rely on cash flow-related maturity allocation as disciplined strategy to control risk while adding favorable performance results.
TOTAL EVALUATION POINTS	79.5	79.18	77.88	83.02
RANKING	2	3	4	1

**SOUTH TEXAS COLLEGE
INVESTMENT ADVISORY SERVICES
PROJECT NO. 18-19-1031 -- EVALUATION SUMMARY**

VENDOR		First Southwest Asset Management, LLC.		Patterson Capital Management, LP.		Public Trust Advisors, LLC.		Valley View Consulting, LLC.	
ADDRESS		1201Elm St Ste 3500		901 S MoPac Ste 195		707 17th St Ste 1850		2428 Carters Mill Rd	
CITY/STATE/ZIP		Dallas, TX 75270		Austin, TX 78746		Denver, CO 80202		Huddleston, VA 24104	
PHONE		214-953-8874		512-320-5042		513-823-2023		540-297-3419	
FAX		512-481-2020				303-292-3492			
CONTACT		Vickie Hall		Linda Patterson		Chris DeBow		Richard G. Long, Jr.	
1	The experience, expertise, and capability of the firm in performing the services requested. (up to 10 points)	10	9.7	9.8	8.96	9.1	7.92	9.9	9.58
		9.5		9		8.5		9	
		10		9		7		10	
		9		8		8		9	
		10		9		7		10	
2	The quality of references from past and current customers/clients. (up to 10 points)	9	7.4	9.5	8.9	8.3	7.26	10	9.8
		8		10		9		10	
		6		6		6		10	
		8		9		7		9	
		6		10		6		10	
3	The completeness and thoroughness of the response and the demonstrated ability to provide the services and satisfy the requirements. (up to 10 points)	9	9.1	9	9.1	8	7.8	9	9.1
		9.5		9.5		9		9.5	
		9		9		7		9	
		9		9		8		9	
		9		9		7		9	
4	The respondent's experience working with and representing educational institutions. (up to 10 points)	8	7.8	9	9	9	8.4	10	9.8
		10		10		9		10	
		7		7		8		10	
		7		9		8		9	
		7		10		8		10	
5	Adherence to South Texas College's policies and procedures. (up to 10 points)	9	8.1	9	8	9.7	8.24	10	9.7
		9.5		9		9.5		9.5	
		7		7		7		10	
		8		8		8		9	
		7		7		7		10	
6	Investment performance and transaction pricing within accepted risk constraints. (up to 10 points)	9	9.4	7	7.7	9	9.5	10	6.1
		9		9.5		9.5		9.5	
		10		10		10		3	
		9		9		9		5	
		10		3		10		3	
7	Responsiveness to South Texas College's requests for services, information, and open communication. (up to 10 point)	9.5	8.6	9.3	8.36	9.3	9.46	10	9.7
		9.5		8.5		9		9.5	
		8		8		10		10	
		8		8		9		9	
		8		8		10		10	
8	Understanding of the inherent fiduciary responsibility of investing public funds. (up to 10 point)	10	9.7	9.3	9.46	10	9.6	9.7	9.54
		9.5		9		9		9	
		10		10		10		10	
		9		9		9		9	
		10		10		10		10	
9	Similarity in philosophy and strategy with South Texas College's objectives. (up to 10 point)	10	9.7	10	9.7	10	9.7	10	9.7
		9.5		9.5		9.5		9.5	
		10		10		10		10	
		9		9		9		9	
		10		10		10		10	
TOTAL EVALUATION POINTS		79.5		79.18		77.88		83.02	
RANKING		2		3		4		1	

Presentation and Action as Necessary Regarding Acceptance of South Texas College Law Enforcement Racial Profiling Report for Calendar Year 2018

Acceptance of the South Texas College Law Enforcement Racial Profiling Report for Calendar Year 2018 will be requested at the February 26, 2019 Board of Trustees meeting.

Purpose – The [Code of Criminal Procedure Article 2.131–2.138 requires](#) Chief administrators of law enforcement agencies to submit the racial profiling reports to their governing body, in addition to the Texas Commission on Law Enforcement (TCOLE).

Justification – During calendar year 2018, the South Texas College Department of Public Safety conducted traffic stops within its jurisdiction in accordance with Texas Education Code section 51.203.

Background – Pursuant to Texas Occupations Code 1701.164, TCOLE is required to collect incident-based data, including racial profiling reports based upon vehicle traffic stops, in accordance with the [Code of Criminal Procedure Article 2.131–2.138](#). Chief administrators of law enforcement agencies must submit the racial profiling reports to their governing body and TCOLE.

The Code of Criminal Procedure Article 2.132 is shown below:

Title 1. Code Of Criminal Procedure, Chapter 2. General Duties Of Officers, Art. 2.132. Law Enforcement Policy On Racial Profiling.

- (7) Require the chief administrator of the agency, regardless of whether the administrator is elected, employed, or appointed, to submit an annual report of the information collected under Subdivision (6) to:
 - (A) The Texas Commission on Law Enforcement; and
 - (B) The governing body of each county or municipality served by the agency, if the agency is an agency of a county, municipality, or other political subdivision of the state.

Explanation of Report Statistics – Additional information on the Racial Profiling Report is as follows:

- Race or Ethnicity known prior to stop

Traffic stops are conducted when a police officer observes an infraction and pulls over the vehicle to speak with the driver. Since infractions are normally observed when the police officer is behind the vehicle committing the infraction, the police officer is unaware of the ethnicity of the driver until the driver is approached.

The example of how to file a Racial Profiling Report on the Texas Commission on Law Enforcement (TCOLE) website shows a zero in the section to identify traffic stops in which the officer was aware of the ethnicity of the driver before the traffic stop was

made. South Texas College police officers receive training in traffic stops and the racial profiling prohibition. The statistics of those who are stopped by South Texas College police documents that the ethnicity is in line with the population of the college and the Rio Grande Valley and that there is no racial profiling being conducted.

- Search Conducted

One of the traffic stops resulted in a search, when the operator was observed driving recklessly in circles at a high rate of speed on the Pecan Campus, losing control and nearly striking a vehicle in the opposite lane, endangering pedestrians, and other drivers. The operator, who had no driver's license or valid insurance, consented to a search of his person and vehicle, however no drugs were found. The driver was arrested for reckless driving in violation of Transportation Code Section 545.401.

- Street address or approximate location of the stop

Texas state law requires police officers to take action when they observe a danger to the public. The traffic stops on city streets were conducted when the officers observed violations that were a threat to the safety of the public, including driving to endanger and proceeding through red lights when required to stop. The location of traffic stops is as follows:

- ⇒ 90 stops were adjacent to campuses – On streets paralleling the campus to address safety threats to students.
- ⇒ 10 stops were on the entering/leaving campuses - Driving infractions on college property.

Reviewers – The Vice President for Finance and Administrative Services and the Chief Administrator of the Department of Public Safety have reviewed the information being presented.

Enclosed Documents – The South Texas College Department of Public Safety Racial Profiling Report for calendar year 2018 and the Comparative Analysis follow in the packet for the Committee's information and review.

The state would utilize this report in any investigation of a complaint of racial profiling against a law enforcement agency. The South Texas College Department of Public Safety has received no racial profiling complaints.

South Texas College Chief Administrator for the Department of Public Safety, Paul Varville, will be present at the Committee Meeting to respond to questions.

It is requested that the Finance, Audit, and Human Resources Committee recommend for Board approval at the February 26, 2019 Board meeting, acceptance of the South Texas College Law Enforcement Racial Profiling Report for Calendar Year 2018 as presented.

Racial Profiling Report | Full report

Agency Name:	South Texas College Department of Public Safety
Reporting Date:	01/09/2019
TCOLE Agency Number:	215006
Chief Administrator:	Paul Varville
Agency Contact Information:	
Phone:	956-872-2330
Email:	pbvarvil@southtexascollege.edu
Mailing Address:	2509 W. Pecan Blvd. McAllen Texas 78501

This Agency filed a full report

South Texas College Department of Public Safety has adopted a detailed written policy on racial profiling. Our policy:

- 1.) clearly defines acts constituting racial profiling;
- 2.) strictly prohibit peace officers employed by the South Texas College Department of Public Safety from engaging in racial profiling;
- 3.) implements a process by which an individual may file a complaint with the South Texas College Department of Public Safety if the individual believes that a peace officer employed by the South Texas College Department of Public Safety has engaged in racial profiling with respect to the individual;
- 4.) provides public education relating to the agency's complaint process;
- 5.) requires appropriate corrective action to be taken against a peace officer employed by the South Texas College Department of Public Safety who, after an investigation, is shown to have engaged in racial profiling in violation of the South Texas College Department of Public Safety's policy adopted under this article;
- 6.) require collection of information relating to motor vehicle stops in which a citation is issued and to arrests made as a result of those stops, including information relating to:
 - a.) the race or ethnicity of the individual detained;
 - b.) whether a search was conducted and, if so, whether the individual detained

consented to the search; and

c.) whether the peace officer knew the race or ethnicity of the individual detained before detaining that individual; and

7.) require the chief administrator of the agency, regardless of whether the administrator is elected, employed, or appointed, to submit an annual report of the information collected under Subdivision(6) to:

a.) the Commission on Law Enforcement; and

b.) the governing body of each county or municipality served by the agency, if the agency is an agency of a county, municipality, or other political subdivision of the state.

Executed by: Paul Varville

Chief Administrator

South Texas College Department of Public Safety

Date: 01/09/2019

**South Texas College Department of Public Safety Motor Vehicle Racial Profiling
Information**

Total stops: 100

Gender

Female: 43

Male: 57

Race or ethnicity

Black: 0

Asian/Pacific Islander: 1

White: 8

Hispanic/Latino: 90

Alaska Native/American Indian: 1

Was race or ethnicity known prior to stop?

Yes: 0

No: 100

Reason for stop?

Violation of law: 2

Pre existing knowledge: 0

Moving traffic violation: 94

Vehicule traffic violation: 4

Street address or approximate location of the stop

City street: 90

US highway: 0

State highway: 0

County road: 0

Private property or other: 10

Was a search conducted?

Yes: 1

No: 99

Reason for Search?

Consent: 1

Contraband: 0
Probable cause: 0
Inventory: 0
Incident to arrest: 0

Was Contraband discovered?

Yes: 0
No: 1

Description of contraband

Drugs: 0
Currency: 0
Weapons: 0
Alcohol: 0
Stolen property: 0
Other: 0

Result of the stop

Verbal warning: 4
Written warning: 95
Citation: 0
Written warning and arrest: 0
Citation and arrest: 1
Arrest: 0

Arrest Total

Total: 1

Arrest based on

Violation of Penal Code: 0
Violation of Traffic Law: 1
Violation of City Ordinance: 0
Outstanding Warrant 0

Was physical force resulting in bodily injury used during stop

Yes: 0
No: 100

Submitted electronically to the



The Texas Commission on Law Enforcement

South Texas College Department of Public Safety
2018 Racial Profiling Report Comparative Analysis

The ethnicity of South Texas College students reflects the large population of Hispanics in the Rio Grande Valley. In addition all college police officers are Hispanic.

Traffic Stops			College Students		
Ethnicity	Population	Percentage	Ethnicity	Population	Percentage
African	0	0.00%	African	96	0.30%
Asian	1	1%	Asian	265	0.82%
Caucasian	8	8%	Caucasian	739	2.28%
Hispanic	90	90%	Hispanic	30,877	95.21%
Middle Eastern	1	1%	Middle Eastern	0	0.00%
Native American	0	0.00%	Native American	27	0.08%
Other	0	0.00%	Other	427	1.32%
Total	100	100%	Total	32,431	100%

No person has filed a complaint of racial discrimination for a traffic stop since the department's inception in 2012.

Paul Varville

Chief Administrator, South Texas College Department of Public Safety

**Review and Discussion of Internal Audit Report in the Area of Accounts Payable
Commercial Card Use**

Mr. Khalil Abdullah, Internal Auditor, will be attending the Committee meeting to discuss the procedures, findings, and recommendations of the internal audit report in the area of Accounts Payable Commercial Card Use.

The Internal Audit Report follows in the packet for the Committee's review.

No action is required from the Committee. This item is presented for information and feedback to staff.

OFFICE OF INTERNAL AUDITS

ACCOUNTS PAYABLE

COMMERCIAL CARD USE AUDIT



**SOUTH TEXAS
COLLEGE**



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EXECUTIVE SUMMARY

The Accounts Payable Commercial Card Use Audit was included on the Finance, Audit, and Human Resources Committee's approved FY 2019 Audit Plan. The audit included a review of the Business Office's internal controls associated with the College's use of commercial cards.

The objective of the audit was to evaluate the adequacy and effectiveness of the system of internal controls over the College's use of commercial cards.

The scope of the audit included activity from September 1, 2016 through December 31, 2017. The audit was not designed nor intended to be a detailed study of every relevant control system, procedure, or transaction. The audit generally conformed to guidelines set forth by the Institute of Internal Auditor's *Standards* and South Texas College's Policy 5460 *Internal Audit Function*.

Overall, the department established an adequate system of internal controls. The College Business Office's Account Payable established effective monitoring controls such as frequent commercial card transaction reconciliations as well as other internal controls designed to mitigate the inappropriate use of the College's commercial cards. We observed the following internal controls related to the use of the College's commercial cards:

- Monthly reconciliations of commercial card transactions;
- Multiple layers of management approval/sign-off on completed reconciliations;
- Retention of support documentation for commercial card transactions;
- Commercial card use restricted to employees working within the Business Office;
- Established formal written procedures over the card's appropriate use;
- Credit limit increases allowed only after authorization from either the Comptroller or Asst. Comptroller.

BACKGROUND

The College uses seven commercial cards (e.g. credit cards) to expedite payment to vendors. Importantly, the commercial cards are only used as a method of payment depending on whether or not the vendor accepts credit cards without assessing an additional fee. In order to utilize the College's commercial card as a payment option, all regular procedures have to be adhered with (e.g. approved purchase order must be completed, restrictions on purchase limits, normal documentation workflows, etc.). There are several advantages to utilizing the commercial cards as a method of payment as opposed to other methods. Vendors that accept credit cards as a method of payment receive their money quicker than they otherwise would using a different payment method. Additionally, the College receives a benefit for utilizing the commercial cards by way of credit card rewards.

The College's use of the commercial cards over the past three fiscal years can be seen in the table below:

Fiscal Year	Total Annual Commercial Card Transactions	Increase/(Decrease) over Prior Year	Percentage Increase from Prior Year
2016	\$3,826,693	-	-
2017	\$6,639,047	\$2,812,354	73%
2018	\$9,966,318	\$3,327,271	50%

AUDIT OBJECTIVE

The objective of the audit is to evaluate the adequacy and effectiveness of the system of internal controls over the College's use of commercial cards.

AUDIT SCOPE & METHODOLOGY

The audit scope included activity from September 1, 2016 through December 31, 2017. To accomplish the audit objective, the Internal Auditor and Staff Audit Specialist performed the following:

- Obtained and reviewed the Business Offices AP commercial card procedures;

- Used data analytics to identify higher risk transactions for testing;
- Verified that monthly account reconciliations were completed and reviewed by management;
- Verified that transactions were supported by adequate documentation;
- Ensured that commercial card transactions were only initiated by employees working within the Business Office;
- Verified that the items purchased were properly classified to the correct general ledger account comparing account usage with STC's Chart of Accounts;
- Reviewed prior year's audit reports associated with commercial card use;
- Compared current period data to similar information from prior periods as part of analytical procedures;

The audit generally conformed to guidelines set forth by the Institute of Internal Auditor's *Standards* and South Texas College's Manual of Policy 5460 *Internal Audit Function*.

AUDIT RESULTS

Control Conscience Environment:

A control conscious environment encompasses technical competence and ethical commitment, and is necessary for the establishment of effective internal controls. The commercial cards have some built in controls that allow the College's employees to restrict purchases of certain items. The merchant category code (MCC) is a four-digit number used to classify a business by the type of goods or services it provides. By limiting or even restricting the purchase of certain goods and services using the MCC, it allows the Business Office to limit the improper use of the cards and provides management with some assurances that the cards are being used appropriately. In terms of establishing an effective control conscience environment, we found that the Business Office established formal written procedures over the handling and appropriate use of the College's commercial cards. We determined that the Business Office established an adequate control conscience environment with respect to the use of commercial cards. No exceptions noted in this area.

Approval & Authorization:

Adequately established approval and authorization controls help to ensure that expenditures are allowable and appropriate. We reviewed the College's commercial card transactions for compliance with the Business Office's procedures. Additionally, we compared all of the College's

commercial card transactions within the audit scope to their expected statistical frequencies using Benford's Law. Examining large sets of data using Benford's Law enabled us to focus on anomalies within the data set, and to quickly identify transactions that warrant additional scrutiny on a statistical basis. Within the audit scope, the College used the commercial cards to process 6,342 payments. We found that the distribution of the College's commercial card transactions aligned closely with the expected statistical predictions in Benford's Law. Additional information on the College's commercial card transactions and how they compared to Benford's Law are presented in the graph in Appendix A.

We judgmentally selecting a sample of 40 commercial card transactions representing 16% of the total dollar value of the population. We tested the sample of transactions and examined support documentation for proper approval, accuracy, and reasonableness. We found that all of the tested transactions were properly approved, appropriate, and supported with adequate documentation. No exceptions noted in this area.

Monitoring:

Monitoring the commercial card transactions help to ensure that errors or fraudulent transactions are identified and immediate actions can be taken to resolve identified issues. The Business Office Accounts Payable department is responsible for monitoring all commercial card transactions. Additionally, the Accounting Group Supervisor completes a review on approximately 5% of each day's commercial card transactions. This review requires that the supervisor check each transaction's details (e.g. invoice, amounts, signatures, direct payments, etc.). An Accountant working in the Business Office completes a reconciliation of commercial card transactions on a monthly basis. We selected a sample of 3 months within the audit scope and requested to review the completed reconciliations. The Business Office was able to provide us with documentation to support that reconciliations were being completed and reviewed by management. No exceptions noted in this area.

CONCLUSION

Overall it was determined that an adequate system of internal controls was established related to the use of the College's commercial cards. All of the commercial card transactions reviewed were supported by sufficient documentation. Additionally, the Business Office established formal written procedures as well as utilized the commercial card's build in controls to restrict purchases and reduce the risk of the cards being used inappropriately.



South Texas College
Office of Internal Audits
Accounts Payable Commercial Card Use

A handwritten signature in blue ink, appearing to read "Khalil M. Abdullah".

Khalil M. Abdullah CPA, CIA, CGAP, MAcc
Internal Auditor

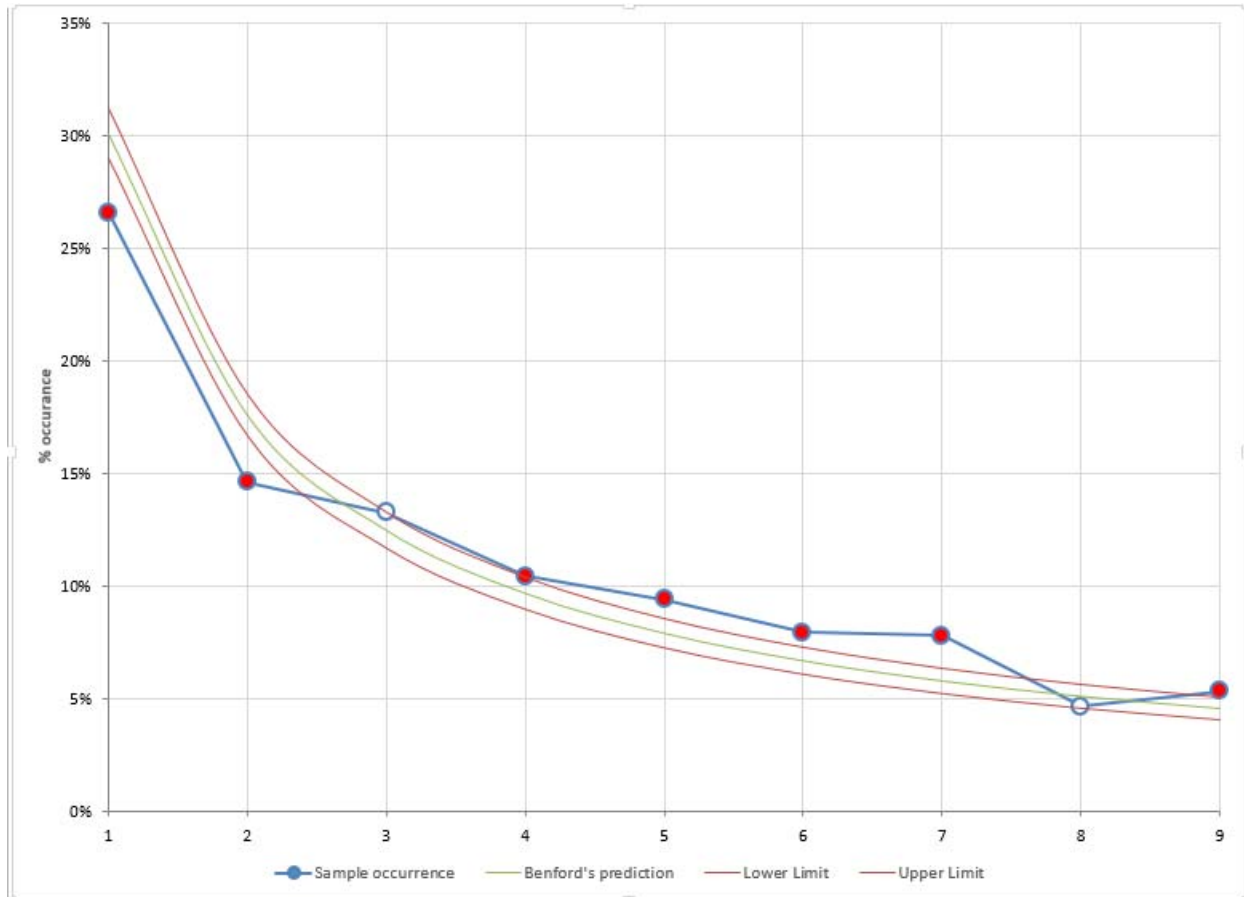
1/29/2019

A handwritten signature in blue ink, appearing to read "Jose Luis Silva".

Jose Luis Silva CIA, CFE, CGAP
Staff Audit Specialist

1/29/2019

Appendix A



Count of 1st digit									
TC_BENFORD	Total	First digit	Sample occurrence	Benford's prediction	z score	% diff	Lower Limit	Upper Limit	
1	26.54%	1	26.54%	30.10%	6.17	-0.12	28.97%	31.23%	
2	14.62%	2	14.62%	17.61%	6.23	-0.17	16.67%	18.55%	
3	13.27%	3	13.27%	12.49%	1.85	0.06	11.68%	13.31%	
4	10.45%	4	10.45%	9.69%	2.03	0.08	8.96%	10.42%	
5	9.40%	5	9.40%	7.92%	4.34	0.19	7.25%	8.58%	
6	7.93%	6	7.93%	6.69%	3.91	0.18	6.08%	7.31%	
7	7.80%	7	7.80%	5.80%	6.79	0.35	5.22%	6.37%	
8	4.64%	8	4.64%	5.12%	1.69	-0.09	4.57%	5.66%	
9	5.34%	9	5.34%	4.58%	2.89	0.17	4.06%	5.09%	
Grand Total	100.00%								

Total Population

6,342