

South Texas College
Board of Trustees
Finance, Audit, and Human Resources Committee
Ann Richards Administration Building Board Room
Pecan Campus, McAllen, Texas
Tuesday, September 10, 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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 - B. Monte Cristo Windpower, LLC
 - C. La Joya Windpower, LLC
 - D. West Willacy Windpower, LLC (Monte Alto)

**Approval of August 13, 2019 Finance, Audit, and Human Resources Committee
Minutes**

The Minutes for the Finance, Audit, and Human Resources Committee Meeting of August 13, 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, August 13, 2019 @ 5:30 p.m.**

Minutes

The Finance, Audit, and Human Resources Committee Meeting was held on Tuesday, August 13, 2019 in the Ann Richards Administration Building Board Room at the Pecan Campus in McAllen, Texas. The meeting commenced at 5:33 p.m. with Mr. Roy de León presiding.

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

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

Members absent: Ms. Rose Benavidez

Also present: Dr. Shirley A. Reed, Mrs. Mary Elizondo, Mr. Matthew Hebbard, Dr. David Plummer, Dr. Anahid Petrosian, Mrs. Myriam Lopez, Mr. George McCaleb, Mrs. Becky Cavazos, Mrs. Brenda Balderaz, Ms. Alicia Gomez, Mr. Daniel Ramirez, Mr. Khalil Abdullah, Ms. Olivia De La Rosa, Mr. Tom Logan, Ms. Maribel Contreras, Mr. Tom Byrne, and Mr. Andrew Fish.

**Approval of July 9, 2019 Finance, Audit, and Human Resources
Committee Minutes**

Upon a motion by Mr. Paul R. Rodriguez and a second by Mr. Rene Guajardo, the Minutes for the Finance, Audit, and Human Resources Committee Meeting of July 9, 2019 were approved as written. The motion carried.

**Review and Recommend Action as Necessary on Interlocal Agreement for
Transportation Services between South Texas College and the Lower Rio
Grande Valley Development Council**

Approval of the Interlocal Agreement for the Jag Express Intercampus Transportation Services between South Texas College and the Lower Rio Grande Valley Development Council (LRGVDC) for a one year period of September 1, 2019 through August 31, 2020 will be requested at the August 27, 2019 Board meeting.

Background – The Interlocal Agreement for the Jag Express Intercampus Transportation Services was approved on August 28, 2018 for the period of September 1, 2018 through August 31, 2019.

The services include the Circulator (Yellow) and Park & Ride routes operated by the College.

- The Circulator route provided transportation between the College's Pecan Campus, Technology Campus and Nursing and Allied Health Campus.
- The Park & Ride routes provided transportation between the Park & Ride Facility directly to and from Pecan Campus and Pecan Plaza.

In addition, the services included routes to the Mid Valley Campus (Purple Line) and Starr County Campus (Green Line), which were operated by the LRGVDC.

The annual operating costs for the services were as follows:

	Amount
Total Operating Cost for Services	\$1,531,028
Contributions:	
State/Federal Operating	(696,729)
City of Weslaco and Weslaco EDC Contribution	(78,292)
Total Contributions	\$775,021
Total Net Cost to STC	\$756,007
STC In-Kind and Direct Expenditures	558,360
STC Payment to LRGVDC	197,647
Total Net Cost to South Texas College	\$756,007

Annual Costs by transportation routes were as follows:

Transportation Routes	Total Operating Cost for System	Contributions	STC In-Kind & Direct Expenditures	STC Payment to LRGVDC
Mid Valley (Purple)	\$166,567	\$147,921	\$0	\$18,645
Starr (Green)	474,075	197,629	97,443	179,002
Circulator (Yellow)	514,225	227,239	286,986	0
Park & Ride	376,161	202,231	173,931	0
Total	\$1,531,028	\$775,021	\$558,360	\$197,647

The State/Federal Contributions in the amount of \$696,729 represented 50 percent of operating expenses, such as fuel, and salaries and benefits from bus drivers and other transportation staff, and 80 percent of expenses related to preventive maintenance such as tire maintenance, full service oil changes, vehicle battery replacement, and yearly vehicle state inspection.

In Fiscal Year 2019, the cost to the College totaled \$526,141 for the Jag Express Intercampus Transportation Services. The City of Weslaco and the Economic Development Corporation of Weslaco contributed the amounts of \$39,236 and \$39,000, respectively.

Justification - The Interlocal Agreement was intended to establish an intercampus bus route to serve all of the College's campuses. The bus routes would benefit students, faculty, and staff of South Texas College and thereby served the goals of both organizations by facilitating access to the College and its educational programs and increasing the use of public transportation in the area.

The bus routes would be free of charge to the students, faculty, and staff of South Texas College.

The FY 2018 and FY 2019 Ridership Report Comparison showed the number of riders using the South Texas College Jag Express routes. The ridership increased by 8,921, or 13.2%, from 67,377 in FY 2018 to 76,298 in FY 2019.

The responsibilities of South Texas College in this Agreement would be:

- 1) To operate and maintain eight (8) buses owned by the College and three buses leased from LRGVDC for the Circulator (yellow) and Park & Ride transportation routes during the College's business days and hours of service according to a schedule;
- 2) To promote ridership by College students, faculty and staff (promotion efforts will include publicizing the service through newsletters, email notifications, signage at special events and semester registration, and other means it determines would be beneficial to increase participation and raise awareness of the service); and
- 3) To designate boarding locations at each campus with appropriate signage at each of its campus stop locations.

Funding Source - Funds for this expenditure were budgeted in the Student Transportation Services budget for FY 2019 - 2020.

Reviewers – The Interlocal Agreement was reviewed by Mr. Tom Logan, Director of Valley Metro at the Lower Rio Grande Valley Development Council, Vice President for Finance and Administrative Services, Chief Administrator for Department of Public Safety, Comptroller, and by the College's Legal Counsel.

Enclosed Documents - A copy of the Interlocal Agreement and Ridership was provided in the packet for the Committee's information and review.

Presenters – Mr. Tom Logan from the Lower Rio Grande Development Council (LRGVDC) presented the information on this initiative. Mary Elizondo, Vice President for Finance and Administrative Services, was present to address any questions by the committee.

Upon a motion by Mr. Paul R. Rodriguez and a second by Mr. Rene Guajardo, the Finance and Human Resources Committee recommended Board approval of the proposed Interlocal Agreement between South Texas College and the Lower Rio Grande Valley Development Council (LRGVDC), as presented. The motion carried.

Review and Recommend Action on Award of Proposals, Rejection of Proposal, Contract Extension, Purchases, Renewals, and Interlocal Agreements

Approval of the following award of proposals, rejection of proposal, contract extension, purchases, renewals, and interlocal agreements will be requested at the August 27, 2019 Board meeting.

These items were being purchased to prepare for the upcoming Fall semester, pending Board approval of the FY 2019 – 2020 Budget.

Resolution Delegating Authority to College President to Enter Into Educational Services Agreements

Administration and legal counsel noted a recent discussion that any agreement entered into with another local government entity would be defined as an interlocal agreement and required approval by the South Texas College Board of Trustees.

Item E-23 was for an interlocal training agreement, which would be used for services provided to a number of local stakeholders.

Administration determined that there were over one hundred service agreements for local school districts, cities, economic development corporations, and other entities in FY 2018 – 2019 that might meet the criteria for interlocal agreement, and sought some way to minimize the delay from presenting each of these to the Board for every training opportunity that arose.

Legal counsel proposed a resolution that would delegate the authority to the College President to execute and administration agreements for education services, limited to contracts estimated to generate \$50,000 or less in payments from the contract partner.

The Committee agreed with the principal concept. The Committee further asked that the resolution be provided a formal instrument record number before presentation to the Board.

Upon a motion by Mr. Paul R. Rodriguez and a second by Mr. Rene Guajardo, the Finance, Audit, and Human Resources Committee recommended Board approval of the proposed resolution delegating the authority to the College President as described. The motion carried.

Purchasing Items

The Director of Purchasing reviewed each item, including the procurement procedures and evaluation of all responses, and recommended approval as presented.

Upon a motion by Mr. Paul R. Rodriguez and a second by Mr. Rene Guajardo, the Finance, Audit, and Human Resources Committee recommended Board approval of the award of proposals, rejection of proposal, contract extension, purchases, renewals, and interlocal agreements as listed below:

A. Award of Proposals

- 1) **Maintenance and Repair Parts, Materials, and Supplies (Award):** award the proposal for maintenance and repair parts, materials, and supplies for the period beginning September 1, 2019 through August 31, 2020 with two one-year options to renew, at an estimated amount of \$160,000.00, which is based on prior year expenditures. The vendors are as follows:

Vendors (City, State)	
Architectural Division 8, Inc. (Harlingen, TX)	Burton Companies (Weslaco, TX)
Bush Supply Company (Edinburg, TX)	Central Plumbing & Electric Supply (Weslaco, TX)
Dealers Electrical Supply (McAllen, TX)	Diaz Floors & Interior's, Inc. (Pharr, TX)
Ewing Irrigation (McAllen, TX)	Fairway Supply, Inc. (Austin, TX)
Fastenal Company (McAllen, TX)	Ferguson Enterprise (Pharr, TX)
International Supplier Larey, Inc./dba International Industrial Supply, Co. (Brownsville, TX)	Interstate Batteries of the RGV (McAllen, TX)
Johnson Supply (Pharr, TX)	Johnstone Supply (Pharr, TX)
Lewis Mechanical Sales (Corpus Christi, TX)	Luna Glass, LLC. (McAllen, TX)
Martin Peña/dba Delta Specialties Sign & Supply (Edinburg, TX)	Morrison Supply Company (McAllen, TX)
MSC Industrial Supply, Co. (Harlingen, TX)	Sherwin Williams, Co. (McAllen, TX)
Trane U.S.A. (Edinburg, TX)	Valley Armature & Electric (Edinburg, TX)

- 2) Printing Projects (Award):** award the proposal for printing projects and general purpose printing, for the period beginning September 1, 2019 through August 31, 2020, at an estimated amount of \$183,910.00.

- a. Printing Projects – At an estimated amount of \$83,910.00 to the following vendors in the amounts listed below:

Projects FY 2019 - 2020	Vendor	Amount
Official College Stationary / Business Cards	Copy Craft Printers/ dba Slate Group (Lubbock, TX)	\$20,000.00
Student Catalog	EP Graphics, Inc. (Berne, IN)	\$14,090.00
Graduation (Commencement) Announcements and Envelopes	UBEO, LLC./ dba Copy Zone (McAllen, TX)	\$1,020.00
Graduation (Commencement) Programs	San Antonio Printing (McAllen, TX)	\$48,800.00

- b. General Purpose Printing – At an estimated amount of \$100,000.00 to the following six (6) vendors:

Vendors (City/State)	
Copy Craft Printers/ dba Slate Group (Lubbock, TX)	Copy Plus, LLC. (McAllen, TX)
FedEx Office (McAllen, TX)	Gateway Printing & Office Supply, Inc. (San Antonio, TX)
San Antonio Printing (McAllen, TX)	UBEO, LLC./ dba Copy Zone (McAllen, TX)

- 3) Purchase and Installation of Irrigation System Equipment (Award):** award the proposal for purchase and installation of irrigation system equipment to **Aqua Tech** (McAllen, TX), at a total amount of \$65,000.00;

B. Rejection of Proposal

- 4) Merchant Services (Reject):** reject the proposals received for merchant services due to the incomplete documentation that was received from the vendors;

C. Contract Extension

- 5) Merchant Services (Contract Extension):** approve contract extension for merchant services (card processing) with **BBVA Compass** (McAllen, TX), for the period beginning September 1, 2019 through January 31, 2020, at an estimated annual amount of \$154,200.00;

D. Purchases and Renewals (D-a. Instructional Item)

- 6) Testing Materials (Purchase):** purchase testing materials for the Texas Success Initiative (TSI), which uses the Accuplacer Platform from **The College Board** (New

York, NY), a sole source vendor, for the period beginning September 1, 2019 through August 31, 2020, at an estimated amount of \$50,000.00;

D. Purchases and Renewals (D-b. Non-Instructional Items)

- 7) Beverage Products (Renewal):** renew the beverage products contract with **PepsiCo** (Hidalgo, TX), for the period beginning October 13, 2019 through October 12, 2020, at an estimated amount of \$52,000.00, which is based on prior year expenditures. PepsiCo will also include a \$20,000.00 annual discretionary payment to the College;
- 8) Custodial Supplies (Renewal):** renew the custodial supplies contracts for the period beginning August 18, 2019 through August 17, 2020, at an estimated amount of \$250,000.00 based on prior year expenditures. The vendors are as follows:
 - Primary: **Gulf Coast Paper, Co.** (Brownsville, TX)
 - Secondary: **Rio Paper and Supply, LLC.** (Pharr, TX)
- 9) Office Supplies (Renewal):** renew the office supplies contracts for the period beginning October 1, 2019 through September 30, 2020, at an estimated amount of \$475,000.00 based on prior year expenditures. The vendors are as follows:
 - a. Primary: **Gateway Printing & Office Supply, Inc.** (Edinburg, TX)
 - b. Secondary: **Cielo Office Products** (McAllen, TX) and **Copy Plus, LLC.** (McAllen, TX)
- 10) Pest Control Services (Renewal):** renew the pest control services contract with **Bug Works Termite & Pest Control Company** (McAllen, TX), for the period beginning September 1, 2019 through August 31, 2020, at an estimated amount of \$18,719.00;
- 11) Professional Recruitment Services (Renewal):** renew the professional recruitment services contracts for the period beginning September 1, 2019 through August 31, 2020, at an estimated amount of \$65,000.000 per position. The vendors are as follows:
 - a. **Myers McRae, Inc.** (Macon, GA)
 - b. **Gold Hill Associates** (Jackson, MS)
 - c. **Greenwood/Asher & Associates, Inc.** (Miramar Beach, FL)

D. Purchases and Renewals (D-c. Technology)

- 12) Banner Application Maintenance Agreement (Renewal):** renew the Banner application maintenance agreement with Ellucian, Inc. through **Texas A & M University – Corpus Christi** (Corpus Christi, TX) acting by and through the State of Texas Department of Information Resources (DIR), for the Texas Connection Consortium (TCC), for the period beginning September 1, 2019 through August 31, 2020, at an estimated amount of \$383,218.86;
- 13) Data Hosting and Maintenance Agreement (Renewal):** renew the data hosting and maintenance agreement with **TouchNet Information Systems, Inc.** (Atlanta, GA), a sole source vendor, for the period beginning September 1, 2019 through August 31, 2020, at an estimated amount of \$244,475.67;
- 14) Email Security Software License Agreement (Renewal):** renew the email security software license agreement with **SHI Government Solutions** (Austin, TX), a State of Texas Department of Information Resources (DIR) approved vendor, for the period

beginning September 30, 2019 through September 29, 2020, at an estimated amount of \$47,423.70;

- 15)Enterprise Software License and Maintenance Agreements (Renewal):** renew the enterprise software license and maintenance agreements with **SHI Government Solutions** (Austin, TX), a State of Texas Department of Information Resources (DIR) and Texas Association of School Boards – Buyboard approved vendor, for the period beginning September 1, 2019 through January 11, 2021, at an estimated amount of \$81,164.00;
- 16)Internet Service – Pecan Campus (Renewal):** renew the internet service - Pecan Campus contract with Time Warner Cable Texas, LLC. (Spectrum Enterprise) through the **State of Texas Department of Information Resources – TEXAN** (DIR) (Austin, TX), for the period beginning September 1, 2019 through August 31, 2020, at a monthly amount of \$15,000.00 and an estimated annual amount of \$180,000.00;
- 17)Network Hardware and Software Maintenance Agreement (Renewal):** renew the network hardware and software maintenance agreement with **Insight Public Sector, Inc.** (Tempe, AZ/McAllen, TX), a State of Texas Department of Information Resources (DIR) approved vendor, for the period beginning September 1, 2019 through August 31, 2020, at an estimated amount of \$192,608.22;
- 18)Oracle License Maintenance Agreement (Renewal):** renew the Oracle license maintenance agreement with **Oracle America, Inc.** (Reston, VA), a State of Texas Department of Information Resources (DIR) approved vendor, for the period beginning September 1, 2019 through August 31, 2020, at an estimated amount of \$475,000.00;
- 19)Public Website Hosting Services (Renewal):** renew the public website hosting services with **Rackspace US, Inc./ dba Rackspace Hosting, Inc.** (San Antonio, TX), a sole source vendor, for the period beginning September 1, 2019 through August 31, 2020, at an estimated amount of \$92,551.32;
- 20)Server Maintenance Agreements (Renewal):** renew the server maintenance agreements with **Dell Marketing, LP.** (Dallas, TX), a State of Texas Department of Information Resources (DIR) approved vendor, for the period beginning September 1, 2019 through August 31, 2020, at an estimated amount of \$134,901.67;
- 21)Systems Appliance Maintenance Agreement (Renewal):** renew the systems appliance maintenance agreement with **Dell Marketing, LP.** (Dallas, TX), a State of Texas Department of Information Resources (DIR) approved vendor, for the period beginning September 1, 2019 through August 31, 2020, at an estimated amount of \$54,786.92;
- 22)VMware Maintenance Agreement (Renewal):** renew the VMware maintenance agreement with **Dell Marketing, LP.** (Dallas, TX), a State of Texas Department of Information Resources (DIR) approved vendor, for the period beginning September 1, 2019 through August 31, 2020, at an estimated amount of \$41,444.17;

D. Interlocal Agreements

23) Training Services (Interlocal Agreements): approve interlocal agreements for training services with various districts, for the period beginning September 1, 2019 through August 31, 2020, at zero tuition.

Recommend Action - The total for all award of proposals, rejection of proposal, contract extension, purchases, renewals, and interlocal agreements was \$3,406,762.11.

The motion carried.

Review and Recommend Action on Proposal for Vendor to Operate the College Bookstore

Approval of a vendor for the operation of the College Bookstore will be requested at the August 27, 2019 Board of Trustees meeting.

Purpose – The College requested proposals for the management of the South Texas College bookstores located at the Pecan, Mid Valley, Nursing and Allied Health, Starr County, and Technology campuses. A term of five (5) years beginning November 1, 2019 through October 31, 2024 was requested.

Background – The bookstore services contract has been awarded to an outsourced vendor since 1999. The bookstore vendors have been Follet Higher Education Group, Inc., from 1999 to 2004 and Barnes and Noble College Bookseller, LLC, from 2004 to 2019.

Proposals were advertised on May 13, 2019 and May 20, 2019 and issued to eleven (11) vendors. Three (3) responses were received on June 21, 2019 and reviewed by Facilities Operations and Maintenance, Purchasing Department, and Bookstore Committee (Faculty and Staff).

Justification and Benefit – The bookstore services must be available for students, faculty, and staff district wide to purchase books, reference materials, and testing forms related to all coursework.

A bookstore consultant, Tom Byrne from Campus Bookstore Consulting (CBC), was contracted to review and analyze the proposals. Mr. Byrne was available to discuss the proposals and answer questions.

The bookstore proposal analysis was provided to the South Texas College evaluation committee. The evaluations were completed by the South Texas College evaluation committee.

After review and evaluation of the proposals by the evaluation committee, the vendors were ranked as follows:

1. Barnes and Noble College Bookseller, LLC.
2. Texas Book Company
3. Follett Higher Education Group, Inc. (Option 1)
4. Follett Higher Education Group, Inc. (Option 2)

The current contract with Barnes and Noble College Bookseller, LLC, has the following:

Provision	Provision Amounts
5 Year Term Percentage Commission	13.5% to \$2M 14.5% from \$2M to \$3M 16% over \$3M
Minimum Annual Guarantee	Year 1 - \$550,000 Years 2-5 - 90% of calculated commission on gross sales of the immediately preceding year
One-Time Unrestricted Donation	\$575,000.00
Facility Investment	\$30,000.00
Technology Investment	N/A
Annual Textbook Scholarship	\$15,000.00

Upon a motion by Mr. Paul R. Rodriguez and a second by Mr. Rene Guajardo, the Finance, Audit, and Human Resources Committee authorized staff to request a best and final offer from each vendor, which would then be presented at the August 27, 2019 Board of Trustees meeting for approval. The motion carried.

Discussion and Action as Necessary on Use of Fund Balance and Proposed Revised Metric to Determine the Minimum Unrestricted Fund Financial Reserve Level

Approval on use of fund balance to cover the liability and impact of GASB 68, Accounting and Financial Reporting for Pensions, and GASB 75 Accounting and Financial Reporting for Post Employment Benefits Other Than Pensions. The impact of the total increase in long-term liabilities is primarily related to GASB 75 and the Employees Retirement System of Texas (ERS) change of the allocation methodology from including employer contribution for retirees only to include employer contributions for both active employees and retirees. The College is also seeking approval to develop a proposal to revise Policy #5350: *Unrestricted Fund Balance* as necessary should compliance with GASB 75 result in the College's inability to comply with the current minimum unrestricted fund financial reserve level as established in that policy will be requested at the August 27, 2019 Board meeting.

Purpose - Board Policy #5350: Unrestricted Fund Balance indicates the following; “The College shall maintain an unrestricted fund balance sufficient to cover no less than four months of budgeted expenditures, unless the Board of Trustees approves the use, transfer, or designation of fund balance, and a plan to restore the fund balance to the minimum amount”.

Background – As stated at the August Board Finance Committee Meeting, the change of ERS allocation methodology may require a significant use and decrease in fund balance, resulting in the College not meeting the minimum required fund balance threshold of four months per Board Policy #5350: Unrestricted Fund Balance.

Justification –The final impact of GASB 75, at the time of publication of the board meeting packet has not been officially confirmed by The Employees Retirement System of Texas (ERS).

The impact of the increased OPEB liability on the number of months in reserve, considering different methodologies on determining reserve metrics are as follows:

Scenario	Reserve Metric Description	Number of Months
A	Unrestricted Fund Balance Reserve Calculation – Number of Months of Expenditures: 1 - based on retirees employer contribution, including \$13,234,872 OPEB liability and \$26,614,054 Pension liability 2 - based on active employees and retirees employer contribution, including increase of \$77,373,592 of OPEB liability totaling \$90,608,464 of OPEB liability and \$26,614,054 Pension liability	7.5 months 2.2 months
B	Unrestricted Fund Balance Reserve Calculation, Number of Months of Expenditures - excluding GASB 68 and GASB 75 entries	10.3 months
C	Unrestricted Fund Financial Reserve Level - Annual Days Cash on Hand -based on active employees and retirees employer contribution, including increase of \$77,373,592 of OPEB liability	113 days (3.8 months)

Dr. Shirley A. Reed, President, and Mary Elizondo, Vice President for Finance and Administrative Services attended the August 13, 2019 Finance and Human Resources Committee meeting to address any questions by the committee.

Enclosed Documents – Policy # 5350: Unrestricted Fund Balance was provided in the packet for the Committee’s information and review.

Upon a motion by Mr. Paul R. Rodriguez and a second by Mr. Rene Guajardo, the Finance, Audit, and Human Resources committee recommended Board acknowledgement that if the implementation of GASB 75 results in the College not meeting the metric as required by Board Policy #5350: Unrestricted Fund Balance, administration would develop and present a revised

proposed metric and any necessary revisions to the policy for a recommendation of Board action at the next Finance Committee Meeting as presented. The motion carried.

Review and Recommend Action on Guidelines for Use of Student Activities Fee

Approval of the Guidelines for Use of Student Activities Fee will be requested at the August 27, 2019 Board meeting.

Purpose – To obtain approval for the Student Activity Fee Guidelines prepared by the Business Office and the Department of Student Activities and Wellness. The purpose of the Student Activities Fee Guidelines for the expenditures funded by the Student Activity Fee assessed to all students is to ensure compliance with Texas Education Code 54.503. As per Texas Education Code 54.503, student activities and services funded by the Student Activities Fee must be authorized and approved by the governing board of the institution of higher education. The College is also proposing as a separate agenda item the approval of a proposed new policy, Student Activities Fee.

Texas Education Code 54.503 – Student Services Fee permits the College to assess a Student Services Fee for student services activities that are separate and apart from the regularly scheduled academic functions of the institution and directly involve or benefit students, including textbook rentals, recreational activities, health and hospital services, medical services, intramural and intercollegiate athletics, artists and lecture series, cultural entertainments series, debating and oratorical activities, student publications, student government, the student fee advisory committee, student transportation services other than services under Section 54.504, Incidental Fees, of this code, and any other student activities and services specifically authorized and approved by the governing board of the institution of higher education.

Background – The Student Activity Fee was approved on January 27, 2015 by the Board of Trustees for Fiscal Year 2016 at a rate of \$2 per semester credit hour. For Fiscal Year 2018, the Board of Trustees approved a \$2 per semester credit hour increase to a rate of \$4 per semester credit hour, since Fiscal Year 2018 the Student Activities Fee has remained at \$4 per semester credit hour.

Background – In the Fiscal Year 2019 budget, the Student Activity Fee revenues and expenditures were reported in the Auxiliary Fund per Texas Education Code Chapter 54 Section 54.503 (d) Student Services Fees that indicates the following:

“All money collected as student services fees shall be reserved and accounted for in an account or accounts kept separate and apart from educational and general funds of the institution and shall be used only for the support of student services. All the money shall be placed in a depository bank or banks designated by the governing board and shall be secured as required by law. Each year the governing board shall

approve for the institution a separate budget for student activities and services financed by fees authorized in this section. The budget shall show the fees to be assessed, the purpose or functions to be financed, the estimated income to be derived, and the proposed expenditures to be made. Copies of the budgets shall be filed annually with the coordinating board, the governor, the legislative budget board, and the state library.”

The Fiscal Year 2019 budgeted Student Activity Fee revenues and expenditures were as follows:

Auxiliary Fund		
Classification	FY 2018-2019 Budget	FY 2019-2020 Budget
Revenue	\$ 1,651,835	\$ 1,651,835
Expenditures		
Salary	828,103	848,141
Benefits	243,544	254,443
Operating	492,188	469,251
Travel	70,000	70,000
Capital	18,000	10,000
Total	\$ 1,651,835	\$ 1,651,835

Mary Elizondo, Vice President for Finance and Administrative Services, attended the August 13, 2019 Finance, Audit, and Human Resources Committee meeting to address any questions by the committee.

Enclosed Documents – The proposed Guidelines for Use of Student Activities Fee were provided in the packet for the Committee’s information and review.

Upon a motion by Mr. Rene Guajardo and a second by Mr. Paul R. Rodriguez, the Finance, Audit, and Human Resources Committee recommended Board approval of the Guidelines for Use of Student Activities Fee as presented. The motion carried.

Review and Recommend Action on Revision of Policy and Proposed New Policy

Approval of revision to policy and proposed new policy will be requested at the August 27, 2019 Board meeting.

Purpose – Policy updates that included a proposed policy revision and a new proposed policy were needed to stay abreast with current and relevant requirements.

Justification – The request for the revisions to the policy and the proposed new policy were necessary for the following reasons:

A. Revise Policy #4216: Harassment, Discrimination, and Sexual Misconduct

- Policy revision was necessary to be in compliance with Texas Senate Bill 212 and to update the Federal Title IX contact information.

B. New Policy #5545: Student Activities Fee

- The new policy was necessary to ensure compliance with Texas Education Code 54.503, which calls for authorization and approval from the governing board of the institution of higher education for student activities and services funded by the Student Activities Fee assessed to all students.

Background – Policy #4216: Harassment, Discrimination, and Sexual Misconduct, was last amended by the Board on April 24, 2018.

Reviewers – The revised policy and the proposed new policy were reviewed by staff, President's Cabinet, Planning and Development Council (PDC), and/or by Legal Counsel.

Enclosed Documents – The revised policy and the proposed new policy were provided in the packet for the Committee's information and review. The additions to the policy were highlighted in yellow, information moved within the policy was highlighted in green, and the deletions were designated with a red strikeout

Upon a motion by Mr. Paul R. Rodriguez and a second by Mr. Rene Guajardo, the Finance, Audit, and Human Resources Committee recommended Board approval of the revision to the policy and the proposed new policy as presented and which supersede any previously adopted Board policy. The motion carried.

Review and Recommend Action on Proposed Budget for FY 2019 – 2020

Approval of the proposed Budget for FY 2019 – 2020 will be requested at the August 27, 2019 Board meeting.

Mrs. Mary Elizondo, Vice President for Finance and Administrative Services, presented the proposed budget for FY 2019 – 2020 with the Committee.

The revenues and expenditures for FY 2019 – 2020 were based on the following:

Revenues:

- State appropriation revenue is projected to increase from the FY 2018 – 2019 level by \$1,946,048. An increase is projected in other state revenues consisting of Optional Retirement Plan (ORP) and Teacher Retirement System (TRS) for FY 2020, in the amounts of \$19,651 and \$80,816, respectively, totaling \$100,467. The state appropriation for the Higher Education Employees Group Insurance (HEGI) was reduced by \$2,152,224. The state appropriation and the HEGI appropriation amounts are based on the state allocation schedules and other state revenues are based on projected funding for eligible employees. In total, state appropriation revenue is projected to decrease approximately \$105,709 in FY 2020.
- In total, tuition is projected to increase approximately \$3,348,041 in FY 2020. Tuition for FY 2020 is based on projected enrollment of 19,115 traditional students, a 1% decrease from Fall 2018, and 13,304 dual enrollment tuition free students for Fall 2019. The projections include the Board approved increases of \$7 per semester credit hour for In-District and Out-of-District tuition rates. The FY 2020 tuition increase also includes increases and additions to differential tuition rates. The FY 2020 tuition also includes the increase of \$100 for the Bachelor of Applied Science in Organizational Leadership tuition.
- The projections indicate an increase in fees of approximately \$954,132 in FY 2020. Fees for FY 2020 are based on projected enrollment of 19,115 traditional students, a 1% decrease from Fall 2018, and 13,304 dual enrollment tuition free students for Fall 2019. The projections include the Board approved removal of the Registration Fee Before Deadline and Registration Fee After Deadline, and the implementation of the Registration Fee per student per semester in the amount of \$150.
- Other revenues are expected to increase \$515,749 in FY 2020. The projected increase is mainly due to the increases in interest revenue, the Dual Credit Academy Participation Fee, and Administrative Costs offsetting decreased revenues for Dual Enrollment Cost Reimbursements, Book Royalties, and Testing Commissions.
- Tax revenue for FY 2020 is expected to increase \$1,191,214, due to an increase in tax appraised values and tax collections.
- Carryover Allocations is projected to decrease \$11,154,676 in FY 2020. The decrease resulted from the decrease of \$6,019,404 in the Prior Year M&O Tax Bond Program carryover funded from FY 2015, FY 2016, and FY 2017 M&O tax revenue, the decrease of \$2,000,000 in the Unexpended Construction Plant Fund, the decrease of \$1,793,628 in the Capital Purchases carryover, the decrease of \$1,000,000 in the Renewals and Replacements Plant Fund, the decrease of \$186,217 in the Contingency Fund carryover, the decrease of \$150,000 in the Continuing Education carryover, and the decrease of \$5,427 in Instructional Book Royalties.

Expenditures:

- The Salary expenditures budget is proposed to increase by \$3,585,276 in FY 2020 due to the 3% annual salary increases for faculty and non-faculty personnel approved by the Board on April 23, 2019, new non-faculty staff positions, non-faculty salary adjustments and reclassifications, a new student direct wage pool for student employees, a salary pool increase related to increasing the direct wage hourly rate by \$1, an increase to the instructional pools, and changes in salaries due to vacancies and new hires.
- The Benefits expenditures budget for FY 2020 is proposed to increase by \$181,553.
- The Operating expenditures budget for FY 2020 is proposed to decrease by \$6,433,235.
 - ⇒ The operating budget is proposed to decrease by \$380,433 based on the needs of the College's departments.
 - ⇒ The operating budget is proposed to decrease by \$6,052,802 for furniture and equipment for the new bond buildings funded from bond M&O tax revenue.
- The Travel expenditures budget for FY 2020 is proposed to increase by \$61,834.
- The Capital Outlay expenditures budget for FY 2020 is proposed to increase by \$983,804.
 - ⇒ The capital budget is proposed to decrease by \$202,196 based on the needs of the College's departments.
 - ⇒ The capital budget is proposed to increase by \$1,186,000 for equipment for the new bond buildings funded from bond M&O tax revenue.
- The Transfers and Reserves budget for FY 2020 is proposed to decrease by \$3,630,481. The decrease is due to the decrease of \$2,000,000 in the Transfer to Unexpended Plant Fund, the decrease of \$1,000,000 in the Transfer to Renewals and Replacements Plant Fund, the decrease in the MTR Bond Series 2007 debt service of \$395,200, and the decrease in the Transfer to the Office of Industry Training and Economic Development (ITED) of \$235,281.

The Texas Association of School Boards notified the College that effective immediately, House Bill 1495 from the 86th Texas Legislature amended Local Government Code Section 140.0045 to require that proposed budgets prepared by certain political subdivisions include a line item indicating the amount of expenditures for directly or indirectly influencing or attempting to influence the outcome of legislation or administrative action, as those terms are defined in Section 305.002, Government Code. The proposed Budget for FY 2019 - 2020 was updated to include a section that complies with the new requirement of Section 140.0045.

Financial managers submitted their anticipated expenditure budgets through the budget database for operating, travel, and capital. These expenditures were included in the Proposed Budget for FY 2019 – 2020.

The Preliminary FY 2019 – 2020 (Next Year) Budget Summary of Projected Revenues and Expenditures with Comparison to the FY 2018 – 2019 (Current Year) amended budget and the Proposed Budget PowerPoint presentation were provided in the packet for the Committee's review and information. Copies of the Proposed Draft Budget for FY 2019 – 2020 were included under separate cover. Additional changes may be required to the budget revenue and expenditure projections prior to final presentation to the Board.

The Resolution Adopting the Budget for FY 2019 – 2020 would also be presented at the August 27, 2019 Board meeting for approval.

Upon a motion by Mr. Rene Guajardo and a second by Mr. Paul R. Rodriguez, the Finance, Audit, and Human Resources committee recommended Board approval of the proposed Budget for FY 2019 – 2020 as presented. The motion carried.

Review and Discussion of South Texas College Proposed 2019 Tax Rate

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

Comparing a proposed tax rate to these two (2) rates determines which truth-in-taxation steps apply. A taxing unit must publish special notices and hold public hearings before adopting a tax rate that exceeds the lower of the effective tax rate or the rollback tax rate. The College is proposing to adopt a tax rate that does not exceed the lower of the effective tax rate or the rollback tax rate and therefore, is not required to hold two public hearings.

The notice of effective tax rate concerning the 2019 Property Tax Rate was published on August 7, 2019 in accordance with the Truth-In-Taxation requirements in the Monitor and the Starr County and Mid Valley Town Crier. A copy was provided for the Committee's information and review.

The compiled data for both counties and the Truth-in-Taxation calculation used to determine the tax rates is reflected below:

	M&O RATE	DEBT RATE	RATE	REVENUE
Effective Tax Rate			\$0.1733	\$69,068,061
Rollback Tax Rate	\$0.1472	\$0.0333	\$0.1805	\$71,711,587
<i>Proposed Tax Rate</i>	<i>\$0.1400</i>	<i>\$0.0333</i>	<i>\$0.1733</i>	<i>\$69,068,061</i>

The proposed maintenance and operations (M&O) tax rate of \$0.1400 was the maximum rate that the College can adopt as approved by the voters on November 5, 2013 and was the rate levied for the last four years.

The proposed debt rate of \$0.0333 was the amount necessary to fully fund all the debt service payments that consist of the 2013 Tax Bond Program, including Bonds Series 2014 and Bond Series 2015.

South Texas College was not required to hold public hearings and publish special notices before adopting the proposed tax rate of \$0.1733, since this rate did not exceed the lower of the effective tax rate or the rollback tax rate.

The Notice of Effective Tax Rate for 2019 and a Presentation were provided in the packet for the Committee's information and review.

The Finance, Audit, and Human Resources Committee noted that the proposed tax rate for 2019 reflected a reduction of nearly ½ cent per \$100 in property value across Hidalgo and Starr counties.

Review and Recommend Action on Order Adopting the Tax Rate for 2019

Approval of the Order adopting the tax rate for 2019 by taking record vote of the members of the Board will be requested at the August 27, 2019 Board meeting. Approval of the Order is necessary to levy the tax for the 2019 tax year.

Mrs. Mary Elizondo, Vice President for Finance and Administrative Services, presented the proposed 2019 tax rate for South Texas College to the public and Board of Trustees.

Chapter 26 of the Property Tax Code requires taxing units to comply with truth-in-taxation laws in adopting the tax rate. The laws have two purposes: to make taxpayers aware of tax rate proposals and to allow taxpayers, in certain cases, to rollback or limit a tax increase. The

truth-in-taxation requires a taxing unit to calculate two (2) tax rates after receiving the certified appraisal roll from the chief appraiser, the effective tax rate and the rollback tax rate.

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

South Texas College was not required to hold public hearings and publish special notices before adopting the proposed tax rate of \$0.1733 since this rate did not exceed the lower of the effective tax rate or the rollback tax rate.

The Notice concerning the 2019 Property Tax Rates was published in accordance with the Truth-In-Taxation requirements in the Monitor and the Starr County and Mid Valley Town Crier. The packet included copies of the Proposed 2019 Tax Presentation, 2019 Property Tax Rates for the Committee's information and review.

The tax rate for 2018 Tax Year was as follows:

2018 Tax Rate			
	M&O Rate	Debt Rate	Total Rate
2018 Tax Rate	\$0.1400	\$0.0380	\$0.1780

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

2019 Tax Rates				
	M&O Rate	Debt Rate	Total Rate	Revenue
Effective Tax Rate	-	-	\$0.1733	\$69,068,061
Rollback Tax Rate	\$0.1472	\$0.0333	\$0.1805	\$71,711,587
<i>Proposed Tax Rate</i>	<i>\$0.1400</i>	<i>\$0.0333</i>	<i>\$0.1733</i>	<i>\$69,068,061</i>

Determination of Tax Rates (M&O Rate and Debt Rate)

The proposed maintenance and operations (M&O) tax rate of \$0.1400 was the maximum rate that the College may adopt as approved by the voters on November 5, 2013. The College would maintain the 2018 M&O rate of \$0.1400.

The proposed debt rate of \$0.0333 was the amount necessary to fully fund all the debt service payments, including the M&O Tax Bond Program 2013. The College would decrease the 2018 debt rate of \$0.0380 to \$0.0333.

The proposed tax rate of \$0.1733 which included a rate of \$0.1400 for M&O and a rate of \$0.0333 for debt service did not exceed the lower than the effective tax rate and the rollback tax rate. Thus, the College was not required to conduct public hearings adopting the proposed tax rate.

Approval of the Order would require a record vote of the members of the Board. A copy of the Order was provided in the packet for the Committee's review.

Upon a motion by Mr. Rene Guajardo and a second by Mr. Paul R. Rodriguez, the Finance, Audit, and Human Resources Committee recommended Board approval of the Order adopting the tax rate for 2019 by taking record vote of the members of the Board as presented.

Review and Recommend Action on Proposed Amendment to the Staffing Plan for FY 2019 – 2020

Approval of the Proposed Amendment to the Staffing Plan for FY 2019 - 2020 will be requested at the August 27, 2019 Board meeting.

Purpose - The Staffing Plan for FY 2019 – 2020 for all employee groups was presented for the Board's review, consideration, and approval on June 25, 2019. An amendment was necessary to request review and consideration of the proposed reorganization of the Liberal Arts and Social Sciences division.

Justification -- The Division of Liberal Arts and Social Sciences (LASS) was the largest instructional division within the College. During the course of the previous several years, the development of new programs, increased enrollment within specific disciplines, and increased faculty caused substantial growth within the Division of Liberal Arts and Social Sciences.

Based on the number of course sections, full-time faculty, and part-time faculty during the Spring 2019 semester, was nearly twice the size of the next largest Division of Math, Science, and Bachelor Programs.

Spring 2019				
Division	Course Sections	Number of Faculty		
		Full Time	Part Time (Adjunct / Dual Credit)	Total Faculty
Business, Public Safety and Technology	1,013	140	80	220
Liberal Arts and Social Sciences	2,470	262	196	458
Math, Science and Bachelor Program	1,290	137	135	272
Nursing and Allied Health	502	107	16	123
Total	5,275	646	427	1,073

Timing of Proposed Reorganization

With the announced retirement of Dr. Margaretha Bischoff, Dean of Liberal Arts and Social Sciences, in December 2019, there was the opportunity to reorganize the Division into two separate divisions, the Division of Social and Behavioral Sciences and the Division of Liberal Arts. The size of these two new Divisions would be equitable with the other Divisions of the College and would be more manageable.

The Staffing Plan information was prepared by the Office of Human Resources, in collaboration with Business Office and all other organizational divisions of the College, to reflect the College's comprehensive proposed staffing and salary structure for FY 2019 - 2020.

Background - Per Policy 4100, College Staffing Plan, the Staffing Plan is the official document listing position titles, classifications, employees, and salaries for each fiscal year. The Staffing Plan is not a contract between the College and any person listed on it, and neither the Staffing Plan nor any action taken by the Board of Trustees concerning it should be considered creating contract rights, expectations of continued employment, or a property interest for any person listed in the Staffing Plan.

Staffing Needs for Proposed Reorganization

Working with department chairs, faculty, and staff within the division, administration proposes splitting the Division of LASS into two separate divisions:

- Division of Social & Behavioral Sciences
- Division of Liberal Arts

Both divisions would require Division Dean positions; therefore, the request for a title change and the creation of a new position are needed as follows:

- Change current title of Dean for Liberal Arts & Social Sciences (Position #700150) to ***Dean for Social & Behavioral Sciences***
- Create a new position for the Liberal Arts division as ***Dean for Liberal Arts***

Timeline to complete the proposed search for two Deans:

<u>Approximate Dates</u>	<u>Activity</u>
08/15/2019 to 09/20/2019	Advertise Both Positions
09/03/2019 to 09/06/2019	Create Two Search Committees
09/23/2019 to 09/30/2019	Search Committees Meet to Select Candidates for Interview
10/08/2019 to 10/11/2019	Search Committees Conduct Interviews
10/28/2019 to 10/31/2019	On Campus Candidate Forum: Liberal Arts
11/04/2019 to 11/08/2019	On Campus Candidate Forum: Social & Behavioral Sciences
11/18/2019 to 11/26/2019	Make Official Offers to Start January 2020

Funding Source – The budget to fund the existing position (#700150) requiring a title change was reflected in the appropriate Department and listed on the Staffing Plan and was subject to Board approval of the FY 2019 – 2020 Budget. The new Dean position would be scheduled to be filled in January 2020, and the partial year salary would be funded from salary savings.

Reviewers - The President and all the Vice Presidents reviewed the restructure of the Division of Liberal Arts & Social Science and approved the proposed revisions.

Enclosed Documents - An organizational chart showing the proposed restructuring of the Division of Liberal Arts and Social Sciences was provided in the packet for the Committee's review and discussion.

Dr. Shirley A. Reed, President, and Mary Elizondo, Vice President for Finance and Administrative Services, attended the August 13, 2019 Finance, Audit, and Human Resources Committee meeting to address any questions by the committee.

Upon a motion by Mr. Paul R. Rodriguez and a second by Mr. Rene Guajardo, the Finance, Audit, and Human Resources Committee recommended Board approval of the Proposed Amendment to the Staffing Plan for FY 2019 - 2020, as presented. The motion carried.

Discussion and Action as Necessary on Terra-Gen Development Company, LLC, Tax Abatement Applications, Agreements, and Resolutions

- A. Buenos Aires Windpower, LLC
- B. Monte Cristo Windpower, LLC
- C. La Joya Windpower, LLC
- D. West Willacy Windpower, LLC (Monte Alto)

On June 27, 2019, Mr. Jesus Ramirez, South Texas College's Legal Counsel, and Mary Elizondo, Vice President for Finance and Administrative Services, held a conference call with Mr. Robert Peña, President of Texas Energy, to discuss the terms of the proposed agreement with Terra-Gen Development Company, LLC.

As of publishing date of the Committee packet, the College had not received any additional updates or comments from Mr. Peña or Terra-Gen representatives.

The Committee noted that the College had made an offer to the applicant, and there was no need for further outreach from the College until a formal response was received from the applicant.

No action was taken.

Review and Recommend Acceptance of Internal Audit Annual Report for FY 2019

Acceptance of the Internal Audit Annual Report for FY 2019 will be requested at the August 27, 2019 Board meeting.

Purpose – “Texas Government Code Section 2102.015 *Publication of Audit Plan and Annual Report on Internet* requires state agencies and institutions of higher education to post certain information on their website. To comply with Texas Government Code 2102.015, an Internal Audit Annual Report for FY 2019 has been completed.”

Justification – The Internal Audit Annual Report for FY 2019 provides the Finance, Audit, and Human Resources Committee with information related to the Internal Audit Function’s activities over the past fiscal year. Specifically, the annual report includes the prior year’s approved projects and audit plan; a summary of findings; management’s plan for corrective action; implementation status of corrective action; and next fiscal year’s approved projects and audit plan.

Enclosed Documents - A copy of the Internal Audit Annual Report for FY 2019 was provided in the packet for the Committee’s information and review.

Presenters – Mr. Khalil Abdullah, Internal Auditor, attended the August 13, 2019 Finance, Audit, and Human Resources committee meeting to discuss and address any questions by the committee.

The Internal Audit Annual Report for FY 2019 included a summary of findings along with management’s planned corrective actions for the following completed audits: Time Keeping System Compliance; Fleet Fuel Card; AP Commercial Card Use; and Custodial Services Work Orders.

Upon a motion by Mr. Paul R. Rodriguez and a second by Mr. Rene Guajardo, the Finance, Audit, and Human Resources Committee recommended Board approval of the acceptance of the Internal Audit Annual Report for FY 2019 as presented. The motion carried.

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 7:01 p.m.

I certify that the foregoing are the true and correct Minutes of the August 13, 2019 Finance, Audit, and Human Resources Committee Meeting of the South Texas College Board of Trustees.

Mr. Roy de León
Committee Chair

Review and Recommend Action on Award of Proposal, Purchases, Renewals, and Interlocal Agreement

Approval of the following award of proposal, purchases, renewals, and interlocal agreement will be requested at the September 24, 2019 Board meeting.

The Director of Purchasing has reviewed each item, including the procurement procedures and evaluation of all responses, and recommends approval as follows:

A. Award of Proposal

B. Purchases and Renewals

a. Non-Instructional Items

b. Technology Items

C. Interlocal Agreement

A. Award of Proposal

1) Purchase of Welding Supplies (Award)

Award the proposal for the purchase of welding supplies for the period beginning October 1, 2019 through September 30, 2020 with two one-year options to renew, at an estimated amount of \$125,000.00. The vendors are as follows:

- **Alamo Iron Works** (Brownsville, TX)
- **Airgas USA, LLC.** (McAllen, TX)
- **Industrial Supplier Larey, Inc./ dba International Industrial Supply, Co.** (Brownsville, TX)
- **Matheson** (San Benito, TX)
- **Praxair Distribution, Inc.** (Pharr, TX)

Purpose – The Welding Program in the Division of Technology and the Continuing Professional and Workforce Education are requesting the purchase of welding supplies.

Justification and Benefit – The welding supplies will be used for student instruction by the Welding Program in the Division of Technology and Continuing Education. The purchases will include gases and classroom/lab supplies used by students for hands on instruction in welding classes throughout the district.

Background – Proposal documents were advertised on July 22, 2019 and July 29, 2019 and issued to eight (8) vendors. Five (5) responses were received on August 6, 2019 and reviewed by the Welding Program, Continuing Education, and Purchasing Department.

Funds for this expenditure are budgeted in the Welding Program and Continuing Education budgets for FY 2019 – 2020.

B. Purchases and Renewals (B-a. Non – Instructional Items)

2) Advertisement – Classified Ads (Purchase)

Purchase advertisement – classified ads from **AIM Media Texas/The Monitor** (McAllen, TX), a sole source vendor, for the period beginning September 1, 2019 through August 31, 2020, at an estimated amount of \$55,000.00.

Purpose – The advertisement – classified ads are requested by various College departments for the advertising of request for proposals or qualifications and budget/tax legal information.

Justification and Benefit – The advertisement will be used by the Purchasing Department and Planning and Construction for classified ads soliciting request for proposals or qualifications and by Business Office for budget and tax legal ads.

Funds for this expenditure are budgeted in the Purchasing, Business Office, and various Construction budgets for FY 2019 – 2020.

3) Chiller Maintenance Agreement (Purchase)

Purchase a chiller maintenance agreement with **Johnson Controls, Inc.** (Milwaukee, WI), a The Interlocal Purchasing System (TIPS) purchasing cooperative approved vendor, for the period beginning November 21, 2019 through November 20, 2020, at an annual amount of \$51,900.00 for scheduled services and an estimated amount of \$70,000.00 for as needed repair services. The total annual amount is \$121,900.00.

Purpose – Facilities Operations and Maintenance is requesting an agreement to service the air-cooled and water-cooled chillers district-wide.

Justification and Benefit – The chiller maintenance agreement includes scheduled preventive maintenance inspections and emergency service calls for the various chiller units located throughout the College district.

- Quarterly Inspections – 18 Chillers
 - ⇒ Check refrigerant circuit for leaks
 - ⇒ Check operating pressures and temperatures
 - ⇒ Conduct oil analysis
 - ⇒ Check electrical connections
- Annual Inspection – 18 Chillers
 - ⇒ Inspect and verify operating controls
 - ⇒ Inspect thermal insulation for integrity
 - ⇒ Clean condenser tubes
 - ⇒ Clean control panel interior

Funds for this expenditure are budgeted in the Facilities Maintenance budget for FY 2019 – 2020.

4) Maintenance Equipment, Parts, and Supplies (Purchase)

Purchase maintenance equipment, parts, and supplies through the Texas Association of School Boards (TASB) – Buyboard approved vendors, for the period beginning September 1,

2019 through August 31, 2020, at an estimated amount of \$95,000.00, with the following vendors:

- **Carrier Enterprise, LLC.** (Houston, TX/Pharr, TX)
- **Crawford Electric Supply** (San Antonio, TX/Mission, TX)
- **McCoy's Building Supply** (San Marcos, TX/Pharr, TX)

Purpose – Facilities Operations and Maintenance is requesting the purchase of maintenance equipment, parts, and supplies for district-wide daily work order requests.

Justification and Benefit – The maintenance equipment, parts, and supplies are needed for the day-to-day maintenance, repairs, and improvements in the areas of plumbing, painting, irrigation, electrical, door locks, vehicle and equipment batteries, lumber, and air conditioning.

Funds for this expenditure are budgeted in the Facilities Maintenance budget for FY 2019 – 2020.

5) Institutional Membership – TACC (Renewal)

Renew the institutional membership – TACC with the **Texas Association of Community Colleges** (TACC) (Austin, TX), a sole source vendor, for the period beginning September 1, 2019 through August 31, 2020, at a total amount of \$79,155.00.

Purpose – The Office of the President is requesting to renew the institutional membership, which includes the annual association membership, telecommunication membership, building assessment, and mathways assessment.

Justification and Benefit – TACC is comprised of all fifty (50) public community college districts in the state and represents the interests of the colleges before the Texas Legislature and state agencies. The General Appropriations Bill and legislation affecting public community colleges in general have been and remain the principal concern of TACC.

Funds for this expenditure are budgeted in the Non-Public Fund Project budget for FY 2019 – 2020.

B. Purchases and Renewals (B-b. Technology Items)

6) Audio Visual Equipment and Supplies (Purchase)

Purchase audio visual equipment and supplies for the period beginning September 1, 2019 through August 31, 2020, at an estimated amount of \$190,000.00, which is based on prior year expenditures, with the following purchasing cooperative vendors:

Vendor/Purchasing Cooperative	Amount
Audio Fidelity Communications, Corp./dba Whitlock (Austin, TX) – State of Texas Department of Information Resources (DIR)	\$10,000.00
Audio Visual Aids (San Antonio, TX) – Texas Association of School Boards (TASB) – Buyboard and The Interlocal Purchasing System (TIPS)	\$80,000.00

Vendor/Purchasing Cooperative	Amount
B & H Foto & Electronics, Corp./B & H Photo Video (New York, NY) – Texas Association of School Boards (TASB) – Buyboard, The Interlocal Purchasing System (TIPS), Omnia Public Sector, and E & I Cooperative Services	\$80,000.00
Howard Technology Solutions (Ellisville, MS) Texas Association of School Boards (TASB) – Buyboard and The Interlocal Purchasing System (TIPS)	\$20,000.00

Purpose – The audio visual equipment and supplies purchases are requested district-wide as needed to support classroom instruction, staff presentations, office operations, and communication with internal and external individuals or groups.

Justification and Benefit – The audio visual equipment and supplies are purchased district-wide for the day-to-day operation of departments and instructional programs. Below are some of the items requested by programs/departments:

- Headphones – Distance Education, Educational Technologies, and Academic programs
- Digital Cameras, Lenses, Camera Cases – Art Program, Public Relations and Marketing, Facilities Planning and Construction, and all other requesting departments and academic programs
- Dome Cameras/Camcorders – Nursing and Allied Health Programs, Public Relations and Marketing, and Educational Technologies
- Computer Cables, Printer Cables, and Projector Cables – Information Technology and all other requesting departments and academic programs
- Sound Equipment – Educational Technologies and all other requesting departments and academic programs
- Projector Screens and Parts – Educational Technologies and all other requesting departments and academic programs

Funds for this expenditure are budgeted in the requesting department budgets for FY 2019 – 2020.

7) Computer Components, Peripherals, Software, and Supplies (Purchase)

Purchase computer components, peripherals, software, and supplies for the period beginning September 1, 2019 through August 31, 2020, at an estimated amount of \$390,000.00, which is based on prior year expenditures, with the following purchasing cooperative vendors:

Vendor/Purchasing Cooperative	Amount
CDW Government (Vernon Hills, IL) – State of Texas Information Resources (DIR), Harris County Dept of Ed – Choice Partners, E&I Cooperative Services, OMNIA Public Sector, Sourcewell, and The Interlocal Purchasing System (TIPS)	\$140,000.00
CRC Computer Repair Center (McAllen, TX) – State of Texas Department of Information Resources (DIR)	\$80,000.00

Vendor/Purchasing Cooperative	Amount
Dell Marketing, LP. (Dallas, TX) – State of Texas Department of Information Resources (DIR)	\$80,000.00
GovConnection (Merrimack, NH) – Harris County Dept of Ed – Choice Partners and The Interlocal Purchasing System (TIPS)	\$10,000.00
SHI Government Solutions, Inc. (Austin, TX) – Texas Association of School Boards (TASB) – Buyboard, State of Texas Department of Information Resources (DIR), Harris County Dept of Ed – Choice Partners, E & I Cooperative Services, OMNIA Public Sector, Purchasing Association of Cooperative Entities, and The Interlocal Purchasing System (TIPS)	\$80,000.00

Purpose – The computer components, peripherals, software, and supplies purchases are requested district-wide as needed to support classroom instruction, staff office operations, and communication with internal and external individuals or groups.

Justification and Benefit – The computer components, peripherals, software, and supplies are purchased district-wide for the day-to-day operation of departments and instructional programs. Below are some of the items requested by programs/departments:

- Scanners, Printers, Storage Media, Surge Protectors, Toner Cartridges, and Cables – All programs and departments district-wide
- Barcode Scanner – Library Services, Security, Central Receiving, and Educational Technologies
- Memory – Business Computer Systems Program and All Departments District-Wide
- Head Phones – Open Labs, Center for Learning Excellence, and Distance Education
- Web Cameras – Distance Education and All Departments District Wide
- Computer Parts – Business Computer Systems Program and other departments and programs
- Software – Instructional and Business packages – All programs and departments district-wide

Funds for this expenditure are budgeted in the Educational Technologies, Library Services, Central Receiving, Distance Education, Information Technology, and other departments and academic programs budgets for FY 2019 – 2020.

C. Interlocal Agreement

8) State Records Inquiry Access Agreement (Interlocal Agreement/Purchase)

Enter into a state records inquiry access agreement with the **Texas Department of Public Safety** (Austin, TX), for the period beginning September 1, 2019 through August 31, 2020, at an estimated amount of \$10,000.00.

Purpose – The Office of Human Resources and the Department of Public Safety are requesting to enter into an interlocal agreement to access records as needed and as part of their day-to-day operation.

Justification and Benefit – The access is needed to verify driving records for faculty and staff that drive College owned vehicles. This verification process has been conducted since the College opened and driving records are verified semi-annually.

Funds for this expenditure are budgeted in the Office of Human Resources and Department of Public Safety budgets for FY 2019 – 2020.

Recommendation:

It is requested that the Finance, Audit, and Human Resources Committee recommend for Board approval at the September 24, 2019 Board meeting the award of proposal, purchases, renewals, and interlocal agreement as listed below:

A. Award of Proposal

B. Purchases and Renewals

a. Non-Instructional Items

b. Technology Items

C. Interlocal Agreement

A. Award of Proposal

- 1) Purchase of Welding Supplies (Award):** award the proposal for the purchase of welding supplies for the period beginning October 1, 2019 through September 30, 2020 with two one-year options to renew, at an estimated amount of \$125,000.00. The vendors are as follows:

- **Alamo Iron Works** (Brownsville, TX)
- **Airgas USA, LLC.** (McAllen, TX)
- **Industrial Supplier Larey, Inc./ dba International Industrial Supply, Co.** (Brownsville, TX)
- **Matheson** (San Benito, TX)
- **Praxair Distribution, Inc.** (Pharr, TX)

B. Purchases and Renewals (B-a. Non-Instructional Items)

- 2) Advertisement – Classified Ads (Purchase):** purchase advertisement – classified ads from **AIM Media Texas/The Monitor** (McAllen, TX), a sole source vendor, for the period beginning September 1, 2019 through August 31, 2020, at an estimated amount of \$55,000.00;
- 3) Chiller Maintenance Agreement (Purchase):** purchase a chiller maintenance agreement with **Johnson Controls, Inc.** (Milwaukee, WI), a The Interlocal Purchasing System (TIPS) purchasing cooperative approved vendor, for the period beginning November 21, 2019 through November 20, 2020, at an annual amount of \$51,900.00 for scheduled services and an estimated amount of \$70,000.00 for as needed repair services. The total annual amount is \$121,900.00;

- 4) **Maintenance Equipment, Parts, and Supplies (Purchase):** purchase maintenance equipment, parts, and supplies through the Texas Association of School Boards (TASB) – Buyboard approved vendors, for the period beginning September 1, 2019 through August 31, 2020, at an estimated amount of \$95,000.00, from the following vendors:
- **Carrier Enterprise, LLC.** (Houston, TX/Pharr, TX)
 - **Crawford Electric Supply** (San Antonio, TX/Mission, TX)
 - **McCoy's Building Supply** (San Marcos, TX/Pharr, TX)
- 5) **Institutional Membership - TACC (Renewal):** renew the institutional membership – TACC with the **Texas Association of Community Colleges (TACC)** (Austin, TX), a sole source vendor, for the period beginning September 1, 2019 through August 31, 2020, at a total amount of \$79,155.00;

B. Purchases and Renewal (B-b. Technology Items)

- 6) **Audio Visual Equipment and Supplies (Purchase):** purchase audio visual equipment and supplies for the period beginning September 1, 2019 through August 31, 2020, at an estimated amount of \$190,000.00, which is based on prior year expenditures, with the following purchasing cooperative vendors:

Vendor/Purchasing Cooperative	Amount
Audio Fidelity Communications, Corp./dba Whitlock (Austin, TX) – State of Texas Department of Information Resources (DIR)	\$10,000.00
Audio Visual Aids (San Antonio, TX) – Texas Association of School Boards (TASB) – Buyboard and The Interlocal Purchasing System (TIPS)	\$80,000.00
B & H Foto & Electronics, Corp./B & H Photo Video (New York, NY) – Texas Association of School Boards (TASB) – Buyboard, The Interlocal Purchasing System (TIPS), Omnia Public Sector, and E & I Cooperative Services	\$80,000.00
Howard Technology Solutions (Ellisville, MS) Texas Association of School Boards (TASB) – Buyboard and The Interlocal Purchasing System (TIPS)	\$20,000.00

- 7) **Computer Components, Peripherals, Software, and Supplies (Purchase):** purchase computer components, peripherals, software, and supplies for the period beginning September 1, 2019 through August 31, 2020, at an estimated amount of \$390,000.00, which is based on prior year expenditures, with the following purchasing cooperative vendors:

Vendor/Purchasing Cooperative	Amount
CDW Government (Vernon Hills, IL) – State of Texas Information Resources (DIR), Harris County Dept of Ed – Choice Partners, E&I Cooperative Services, OMNIA Public Sector, Sourcewell, and The Interlocal Purchasing System (TIPS)	\$140,000.00
CRC Computer Repair Center (McAllen, TX) – State of Texas Department of Information Resources (DIR)	\$80,000.00

Vendor/Purchasing Cooperative	Amount
Dell Marketing, LP. (Dallas, TX) – State of Texas Department of Information Resources (DIR)	\$80,000.00
GovConnection (Merrimack, NH) –Harris County Dept of Ed – Choice Partners, and The Interlocal Purchasing System (TIPS)	\$10,000.00
SHI Government Solutions, Inc. (Austin, TX) – Texas Association of School Boards (TASB) – Buyboard, State of Texas Department of Information Resources (DIR), Harris County Dept of Ed – Choice Partners, E & I Cooperative Services, OMNIA Public Sector, Purchasing Association of Cooperative Entities, and The Interlocal Purchasing System (TIPS)	\$80,000.00

C. Interlocal Agreement

- 8) State Records Inquiry Access Agreement (Interlocal Agreement/Purchase):**
enter into a state records inquiry access agreement with the **Texas Department of Public Safety** (Austin, TX), for the period beginning September 1, 2019 through August 31, 2020, at an estimated amount of \$10,000.00.

Recommend Action - The total for all award of proposal, purchases, renewals, and interlocal agreement is \$1,066,055.00.

**SOUTH TEXAS COLLEGE
1. PURCHASE OF WELDING SUPPLIES
PROJECT NO. 19-20-1011**

VENDOR	Alamo Iron Works	Airgas USA, LLC.	Industrial Supplier Larey, Inc./ dba International Industrial Supply, Co.	Matheson	Praxair Distribution, Inc.
ADDRESS	2771 Robindale Rd	201 N 23rd St	3620 E 14th St	1801 W Business 77	1021 W Ferguson
CITY/STATE/ZIP	Brownsville, TX 78526	McAllen, TX 78501	Brownsville, TX 78521	San Benito, TX 78586	Pharr, TX 78577
PHONE	956-243-8718	956-686-7622	956-982-1350	956-399-2706	956-227-8261
FAX	956-831-9434	866-445-7624	956-982-1397	956-399-6045	956-787-0043
CONTACT	Robert N. Garcia	Cindy Grant	Moises Lara	Reynaldo Rivera	Marco A. Alvarez
#	Description	Proposed	Proposed	Proposed	Proposed
1	Welding Gases				
	a. Acetylene				
	Size MC				\$ 7.39
	Size #3				\$ 32.00
	Size #4	\$ 40.00		\$ 33.00	\$ 47.00
	Size #5	\$ 98.00			\$ 86.99
	b. Argon				
	Size R				\$ 5.32
	Size M				\$ 15.75
	Size Q				\$ 10.36
	Size K	\$ 22.63			\$ 23.33
	Size T	\$ 25.00			\$ 25.12
	c. Argon C25				
	Size R				\$ 9.75
	Size M				\$ 19.00
	Size Q				\$ 17.25
	Size K				\$ 27.00
	Size T				\$ 29.00
	Argon 75/25 300			\$ 19.00	
	Size 300			\$ 19.00	
	Liquid Argon 180	\$ 255.00		\$ 295.00	
	CD25125	\$ 16.50			
	CD25300	\$ 38.50			
	d. Nitrogen				
	Size # 20	\$ 9.05			
	Size #200	\$ 21.00			
	Size # 300	\$ 24.00			
	Liquid Nitrogen	\$ 101.00			

**SOUTH TEXAS COLLEGE
1. PURCHASE OF WELDING SUPPLIES
PROJECT NO. 19-20-1011**

VENDOR		Alamo Iron Works	Airgas USA, LLC.	Industrial Supplier Larey, Inc./ dba International Industrial Supply, Co.	Matheson	Praxair Distribution, Inc.
#	Description	Proposed	Proposed	Proposed	Proposed	Proposed
e. Oxygen						
	Size R		\$ 5.52			\$ 4.38
	Size M		\$ 7.25			\$ 8.50
	Size Q					\$ 6.45
	Size T					\$ 12.00
	Size K					\$ 9.75
	Size 200		\$ 10.03		\$ 6.33	
	Liquid Oxygen 180		\$ 105.00		\$ 72.00	
f. Propylene						
	Size #60		\$ 110.00			
	Size #65				\$ 75.00	
	Size #100		\$ 140.00			
	Size #420		\$ 704.68			
g. Carbon Dioxide						
	Size #10				\$ 12.00	
	Size 50		\$ 18.54			
	Liquid Carbon Dioxide		\$ 124.00			
h. Rental					\$0.15 per day per tank	\$0.20 per day for cylinders
i. Delivery Charge						\$ 37.40
j. Maintenance and Inspection Fee						\$ 7.60
Demand Charge Cylinders						\$ 11.70
2 Welding Supplies		10%	5%	0%	20% Minimum Case by Case may be more discount	15%
Machines, Lincoln & Miller						5%
Benchmark			Educational Discount Pricing Level set in SAP		Manufacturers List Price	List Price
3 Escalation						
2nd Year		10%	3%	0%	10%	5%
3rd Year		10%	3%	0%	10%	7%

The Director of Purchasing has reviewed all the vendor responses.

SOUTH TEXAS COLLEGE
2. ADVERTISEMENT - CLASSIFIED ADS

NAME			AIM Media Texas/ The Monitor	
ADDRESS			P O Box 3267	
CITY/STATE/ZIP			McAllen, TX 78502	
PHONE			956-683-4000	
CONTACT			Elizabeth Flores	
#	Qty	Description	Unit Price	Cindy Grant
1	1	Advertisement - Classified Ads - Proposals Period: 9/1/19 - 8/31/20	\$ 55,000.00	\$ 55,000.00
TOTAL AMOUNT			\$ 55,000.00	

SOUTH TEXAS COLLEGE
3. CHILLER MAINTENANCE AGREEMENT

NAME			Johnson Controls, Inc.	
ADDRESS			5757 N Green Bay	
CITY/STATE/ZIP			Milwaukee, WI 53202	
PHONE			866-839-8477	
FAX			866-839-8472	
CONTACT			Andrew Pergande	
#	Qty	Description	Unit Price	Extension
1	1	Annual Maintenance Scheduled Services Period: 11/21/19 - 11/20/20	\$ 51,900.00	\$ 51,900.00
2	1	Estimated Repair Services Period: 11/21/19 - 11/20/20	\$ 70,000.00	\$ 70,000.00
TOTAL AMOUNT			\$ 121,900.00	

SOUTH TEXAS COLLEGE
4. MAINTENANCE EQUIPMENT, PARTS, AND SUPPLIES

NAME			Carrier Enterprise, LLC.		Crawford Electric Supply		McCoy's Building Supply	
ADDRESS			16230 Port Northwest		343 N Weidner Rd		1350 IH 35 North	
CITY/STATE/ZIP			Houston, TX 77041		San Antonio, TX 78233		San Marcos, TX 78667	
LOCAL ADDRESS			3000 N Hibiscus Pharr, TX		1105 Bus Park Dr Mission, TX		1120 W US Hwy 83 Pharr, TX	
PHONE			512-748-1631		210-805-9898		512-395-6644	
CONTACT			Leon Tate		Nathan Lutz		Tina McArthur	
#	Qty	Description	Unit Price	Extension	Unit Price	Extension	Unit Price	Extension
1	1	Maintenance Equipment, Parts, and Supplies Period: 9/1/19 - 8/31/20	\$ 14,000.00	\$ 14,000.00	\$ 44,000.00	\$ 44,000.00	\$37,000.00	\$37,000.00
TOTAL AMOUNT			\$ 14,000.00		\$ 44,000.00		\$ 37,000.00	

SOUTH TEXAS COLLEGE
5. INSTITUTIONAL MEMBERSHIP - TACC

NAME			Texas Association of Community Colleges (TACC)	
ADDRESS			1304 San Antonio Ste 201	
CITY/STATE/ZIP			Austin, TX 78701	
PHONE			512-476-2572	
FAX			512-476-0262	
CONTACT			Jacob Fraire	
#	Qty	Description	Unit Price	Extension
1	1	Association Membership Dues Period: 9/1/19 - 8/31/20	\$ 54,725.00	\$ 54,725.00
2	1	Building Assessment	\$ 9,772.00	\$ 9,772.00
3	1	Mathmatics Pathways	\$ 14,658.00	\$ 14,658.00
TOTAL AMOUNT			\$ 79,155.00	

SOUTH TEXAS COLLEGE
6. AUDIO VISUAL EQUIPMENT AND SUPPLIES

NAME		Audio Fidelity Communications, Corp. /dba Whitlock		Audio Visual Aids		B & H Foto & Electronics, Corp./ B & H Photo Video		Howard Technology Solutions	
ADDRESS		11100 Metric Blvd		2903 N Flores St		420 9th Ave		36 Howard Dr	
CITY/STATE/ZIP		Austin, TX		San Antonio, TX 78212		New York, NY 10001		Ellisville, MS 39437	
PHONE		512-354-2827		800-422-1282		212-239-7500		800-912-3151	
FAX		512-933-0291		800-854-8140				601-399-5835	
CONTACT		Elissa Fox		Diane Blalock		Robert Meskin		Darlene Parker	
#	Qty	Description		Unit Price	Extension	Unit Price	Extension	Unit Price	Extension
1	1	Audio Visual Equipment and Supplies Period: 9/1/19 - 8/31/20		\$ 10,000.00	\$ 10,000.00	\$ 80,000.00	\$ 80,000.00	\$ 20,000.00	\$ 20,000.00
TOTAL AMOUNT				\$	10,000.00	\$	80,000.00	\$	20,000.00

SOUTH TEXAS COLLEGE

NAME	CDW Government		CRC Computer Repair Center		Dell Marketing, LP.		GovConnection		SHI Government Solutions, Inc.	
ADDRESS	230 N Milwaukee Ave		131 E Pecan Blvd		P O Box 676021		732 Milford Rd		1301 S Mo-Pac Expway	
CITY/STATE/ZIP	Vernon Hills, IL 60061		McAllen, TX 78501		Dallas, TX 75267		Merrimack, NH 03054		Austin, TX 78746	
PHONE	877-708-8009		956-631-2321		800-274-7799		800-800-0019		888-764-8888	
FAX	312-705-8262		956-631-4696		800-365-5329		603-683-0213		512-732-0232	
CONTACT	Peter McGee		Daniel Reyna		Dennis Bradandt		Ed Reed		Victoria Pubylski	
#	Qty	Description	Unit Price	Extension	Unit Price	Extension	Unit Price	Extension	Unit Price	Extension
1	1	Computer Components, Peripherals, Software, and Supplies Period: 9/1/19 - 8/31/20	\$ 140,000.00	\$ 140,000.00	\$ 80,000.00	\$ 80,000.00	\$ 10,000.00	\$ 10,000.00	\$ 80,000.00	\$ 80,000.00
TOTAL AMOUNT			\$ 140,000.00	\$ 140,000.00	\$ 80,000.00	\$ 80,000.00	\$ 10,000.00	\$ 10,000.00	\$ 80,000.00	\$ 80,000.00

SOUTH TEXAS COLLEGE
8. STATE RECORDS INQUIRY ACCESS AGREEMENT

NAME			Texas Department of Public Safety	
ADDRESS			PO Box 4087	
CITY/STATE/ZIP			Austin, TX 78773	
PHONE			512 424-5967	
FAX			512-424-7456	
#	Qty	Description	Unit Price	Cindy Grant
1	1	State Records Inquiry Access Agreement Period: 9/1/19 - 8/31/20	\$ 10,000.00	\$ 10,000.00
TOTAL AMOUNT			\$ 10,000.00	

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 September 24, 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. These assets are part of the College's inventory therefore, it is also requested that these assets be removed from inventory and the general ledger.

Justification and Benefit – 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 Receiving Department, 3700 W. Military Hwy., McAllen, TX. The auction will be scheduled in the Fall at the auctioneers' site due to lack of space at the Central Receiving Warehouse.

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.

It is requested that the Finance, Audit, and Human Resources Committee recommend for Board approval, at the September 24, 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 #71
AUGUST 27, 2019

Pallet	Qty	Description	Serial Number	Silver Tag	Green Tag	Purchase Date	Amount	Net Book Value	Ptag	Condition
39	1 EA	Hampden H-CRT-1 Commercial Refrigeration Trainer	39149	0000000019		8/31/1993	\$ 5,631.00	\$ -	000001061	Obsolete
72	1 EA	Commercial Refrigerator Trainer	39149	0000000019		8/31/1993	\$ 5,631.00	\$ -	000001061	Obsolete
GT 11	1 EA	Hampden H-PCT-1 Pneumatic Control Trainer	65880	00000000307	Carl Perkins Tag	12/16/1995	\$ 8,090.00	\$ -	000001549	Obsolete
GT 12	1 EA	Hampden H-PCT-1 Pneumatic Control Trainer	65881	00000000308	Carl Perkins Tag	12/16/1995	\$ 8,090.00	\$ -	000001550	Obsolete
60	1 EA	Hampden H-ACD-1 Conditioning Demonstration	67328	0000000791		10/16/1996	\$ 12,088.00	\$ -	000000791	Obsolete
GT 2	1 EA	Hampden H-IRT-1 Industrial Refrigeration Trainer	67327	0000000781	5000002395	10/16/1996	\$ 13,731.00	\$ -	000000781	Obsolete
GT 8	1 EA	Hampden H-IMD-1 Ice Machine Demonstrator	71390	0000002951	5000000187	10/2/1998	\$ 7,694.75	\$ -	000003002	Obsolete
GT 9	1 EA	Hampden H-MACK-9C Refrigeration Demonstrator	71391	0000002953	5000000186	10/2/1998	\$ 5,632.00	\$ -	000003003	Obsolete
61	1 EA	Hill Rom Retractable Bed Advanced Series	1105-50-M44-A	0000002956		2/5/1999	\$ 5,800.20	\$ -	000012638	Obsolete
62	1 EA	Hill Rom Retractable Bed Advanced Series	110557M33A	0000002961		2/5/1999	\$ 5,800.20	\$ -	000003011	Obsolete
64	1 EA	Hill Rom Retractable Bed Advanced Series	110556M89A	0000002962		2/5/1999	\$ 5,800.20	\$ -	000003012	Obsolete
66	1 EA	Hill Rom Retractable Bed Advanced Series	110557M07A	0000002960		2/5/1999	\$ 5,800.20	\$ -	000003010	Obsolete
GT 3	1 EA	Hill Rom Advance Retract Bed	1105-47M97-A	0000002965	5000000223	2/15/1999	\$ 5,113.08	\$ -	000003014	Obsolete
63	1 EA	Hill Rom Hospital Bed	1105-40P89A	0000003634		4/12/2000	\$ 6,217.69	\$ -	000004335	Obsolete
65	1 EA	Hill Rom Hospital Bed	1105-40P90A	0000003633		4/12/2000	\$ 6,217.69	\$ -	000004334	Obsolete
GT 5	1 EA	Hampden H-CRT-3 Refrigeration Demonstrator	79675	0000006097	5000002646	7/10/2001	\$ 9,235.30	\$ -	000006461	Obsolete
GT 4	1 EA	Hampden H-IMD-1 Ice Machine Demonstrator	80333	0000005736	5000001137	8/20/2001	\$ 5,917.00	\$ -	000006632	Obsolete
GT 13	1 EA	Single Zone Control System	87721	0000008853	5000005365	5/21/2004	\$ 5,665.50	\$ -	000009807	Obsolete
GT 14	1 EA	Single Zone Control System	87724	0000008851	5000005363	5/21/2004	\$ 5,665.50	\$ -	000009805	Obsolete
GT 15	1 EA	Single Zone Control System	87719	0000008850	5000005362	5/21/2004	\$ 5,665.50	\$ -	000009804	Obsolete
GT 15	1 EA	Single Zone Control System	87720	0000008854	5000005366	5/21/2004	\$ 5,665.50	\$ -	000009808	Obsolete
GT 17	1 EA	Single Zone Control System	87722	0000008848	5000005360	5/21/2004	\$ 5,665.50	\$ -	000009802	Obsolete
GT 17	1 EA	Single Zone Control System	87723	0000008849	5000005361	5/21/2004	\$ 5,665.50	\$ -	000009803	Obsolete
GT 17	1 EA	Single Zone Control System	87725	0000008852	5000005364	5/21/2004	\$ 5,665.50	\$ -	000009806	Obsolete
GT 13	1 EA	Hampden Trainers H-SZCT	89615	0000010172	5000005630	2/8/2005	\$ 5,665.50	\$ -	000011046	Obsolete
GT 14	1 EA	Hampden Trainers H-SZCT	89613	0000010170	5000005628	2/8/2005	\$ 5,665.50	\$ -	000011044	Obsolete
GT 14	1 EA	Hampden Trainers H-SZCT	89617	0000010177	5000005635	2/8/2005	\$ 5,665.50	\$ -	000011051	Obsolete
GT 14	1 EA	Hampden Trainers H-SZCT	89608	0000010178	5000005636	2/8/2005	\$ 5,665.50	\$ -	000011052	Obsolete
GT 15	1 EA	Hampden Trainers H-SZCT	89614	0000010176	5000005634	2/8/2005	\$ 5,665.50	\$ -	000011050	Obsolete

Grant Funded Asset

SOUTH TEXAS COLLEGE
SURPLUS PROPERTY VALUED AT \$5,000 AND OVER - LIST #71
AUGUST 27, 2019

Pallet	Qty	Description	Serial Number	Silver Tag	Green Tag	Purchase Date	Amount	Net Book Value	Ptag	Condition
GT 15	1 EA	Hampden Trainers H-SZCT	89611	0000010168	5000005626	2/8/2005	\$ 5,665.50	\$ -	000011042	Obsolete
GT 16	1 EA	Hampden Trainers H-SZCT	89607	0000010169	5000005627	2/8/2005	\$ 5,665.50	\$ -	000011043	Obsolete
GT 16	1 EA	Hampden Trainers H-SZCT	89609	0000010173	5000005631	2/8/2005	\$ 5,665.50	\$ -	000011047	Obsolete
GT 16	1 EA	Hampden Trainers H-SZCT	89610	0000010174	5000005632	2/8/2005	\$ 5,665.50	\$ -	000011048	Obsolete
GT 17	1 EA	Hampden Trainers H-SZCT	89616	0000010171	5000005629	2/8/2005	\$ 5,665.50	\$ -	000011045	Obsolete
GT 16	1 EA	Hampden Trainers H-SZCT	89612	0000010175	5000005633	4/11/2005	\$ 8,255.00	\$ -	000011079	Obsolete
GT 1	1 EA	MegaCode Kelly 200-05050 Vital Sim Capable Manikin	306460	17453	5000005992	3/1/2006	\$ 5,663.20	\$ -	N00012822	Damage
GT 1	1 EA	Laerdal SimBaby Infant Training Manikin		13221	5000005943	4/4/2006	\$ 29,026.70	\$ -	N00012793	Obsolete
GT 7	1 EA	Drykor UDT 7.5 Dehumidifier	1527-04	15868	5000007441	4/21/2006	\$ 5,025.00	\$ -	N00012792	Obsolete
GT 10	1 EA	QS/1 Dispensing Machine	43H5248	16329	5000007546	8/8/2007	\$ 27,550.00	\$ -	N00015888	Obsolete
GT 13	1 EA	Hampden Multi-Zone Building Management	97430	13788	5000010732	8/29/2008	\$ 15,148.00	\$ -	N00017048	Obsolete
GT 1	1 EA	Nursing Anne Female Training Manikin	325M22090019	17671	5000019056	6/19/2009	\$ 5,195.00	\$ -	N00017595	Damage
GT 1	1 EA	MegaCode Kid Advanced VitalSim Capable with FST 1908	231M16100009	18808	5000010330	4/27/2010	\$ 6,462.52	\$ 539.01	N00017925	Damage
71	1 EA	Honda BAGJ110817 Engine - Donation	SF/HO25	25363		2/16/2015	\$ 5,000.00	\$ 2,833.19	N00022884	Obsolete
59	1 EA	Honeywell HCCM474M Security Camera	P8120461	9000045669		FY2009		\$ -		Obsolete
59	1 EA	Honeywell HCCM474M Security Camera	P8110556			FY2010		\$ -		Obsolete
40	25 BX	Library Books						\$ -		Obsolete
41	34 BX	Library Books						\$ -		Obsolete
42	36 BX	Library Books						\$ -		Obsolete
43	24 BX	Library Books						\$ -		Obsolete
45	36 BX	Library Books						\$ -		Obsolete
46	30 BXS	Library Books						\$ -		Obsolete
47	24 BX	Library Books						\$ -		Obsolete
49	37 BX	Library Books						\$ -		Obsolete
50	35 BX	Library Books						\$ -		Obsolete
51	24 BX	Library Books						\$ -		Obsolete
52	30 BX	Library Books						\$ -		Obsolete
53	32 BX	Library Books						\$ -		Obsolete
52	25 BX	Library Books						\$ -		Obsolete
53	25 BX	Library Books						\$ -		Obsolete

Grant Funded Asset

SOUTH TEXAS COLLEGE
SURPLUS PROPERTY VALUED AT \$5,000 AND OVER - LIST #71
AUGUST 27, 2019

Pallet	Qty	Description	Serial Number	Silver Tag	Green Tag	Purchase Date	Amount	Net Book Value	Ptag	Condition
59	27 EA	Honeywell HHC12WM Security Camera Housing						\$ -		Obsolete
59	10 EA	Black Security Camera Mounts						\$ -		Obsolete
59	1 EA	Honeywell HCCM474M Security Camera	P7050297					\$ -		Obsolete
59	1 EA	Honeywell HCCM474M Security Camera	P6110049					\$ -		Obsolete
59	1 EA	Honeywell HCCM474M Security Camera	P7050280					\$ -		Obsolete
59	1 EA	Honeywell HCCM474M Security Camera	P6110024					\$ -		Obsolete
59	1 EA	Honeywell HCCM474M Security Camera	P6110019					\$ -		Obsolete
59	1 EA	Honeywell HCCM474M Security Camera	P5120117					\$ -		Obsolete
59	1 EA	Honeywell HCCM474M Security Camera	P7050295					\$ -		Obsolete
59	1 EA	Honeywell HCCM474M Security Camera	P4004627					\$ -		Obsolete
59	1 EA	Honeywell HCCM474M Security Camera	P5121145					\$ -		Obsolete
59	1 EA	Honeywell HCCM474M Security Camera	P5004781					\$ -		Obsolete
59	1 EA	Honeywell HCCM474M Security Camera	P7050288					\$ -		Obsolete
59	1 EA	Honeywell HCCM474M Security Camera	P6110021					\$ -		Obsolete
59	1 EA	Honeywell HCCM474M Security Camera	P7060843					\$ -		Obsolete
59	1 EA	Honeywell HCCM474M Security Camera	P7050283					\$ -		Obsolete
59	1 EA	Honeywell HCCM474M Security Camera	P6091339					\$ -		Obsolete
59	1 EA	Honeywell HCCM474M Security Camera	P7060937					\$ -		Obsolete
59	1 EA	Honeywell HCCM474M Security Camera	P5121037					\$ -		Obsolete
59	1 EA	Honeywell HCCM474M Security Camera	P6091341					\$ -		Obsolete
59	1 EA	Honeywell HCCM474M Security Camera	P6110025					\$ -		Obsolete
59	1 EA	Honeywell HCCM474M Security Camera	P6110009					\$ -		Obsolete
59	1 EA	Honeywell HCCM474M Security Camera	P6010019					\$ -		Obsolete
59	1 EA	Honeywell HCCM474M Security Camera	P6091305					\$ -		Obsolete
59	1 EA	Honeywell HCCM474M Security Camera	P6010022					\$ -		Obsolete
59	1 EA	Honeywell HCCM474M Security Camera	P7060833					\$ -		Obsolete
59	1 EA	Honeywell HCCM474M Security Camera	P6110036					\$ -		Obsolete
59	1 EA	Honeywell HCCM474M Security Camera	P4002564					\$ -		Obsolete
59	1 EA	Honeywell HCCM474M Security Camera	P7060839					\$ -		Obsolete
59	1 EA	Honeywell HCCM474M Security Camera	P4002848					\$ -		Obsolete

Grant Funded Asset

SOUTH TEXAS COLLEGE
SURPLUS PROPERTY VALUED AT \$5,000 AND OVER - LIST #71
AUGUST 27, 2019

Pallet	Qty	Description	Serial Number	Silver Tag	Green Tag	Purchase Date	Amount	Net Book Value	Ptag	Condition
59	1 EA	Honeywell HCCM474M Security Camera	P6110013					\$ -		Obsolete
59	1 EA	Honeywell HCCM474M Security Camera	P6110008					\$ -		Obsolete
59	1 EA	Honeywell HCCM474M Security Camera	P6110003					\$ -		Obsolete
59	1 EA	Honeywell HCCM474M Security Camera	P6110015					\$ -		Obsolete
59	1 EA	Honeywell HCCM474M Security Camera	P4002846					\$ -		Obsolete
59	1 EA	Honeywell HCCM474M Security Camera	P5100142					\$ -		Obsolete
59	1 EA	Honeywell HCCM474M Security Camera	P5090013					\$ -		Obsolete
59	1 EA	Honeywell HCCM474M Security Camera	P6010252					\$ -		Obsolete
59	1 EA	Honeywell HCCM474M Security Camera	P6010153					\$ -		Obsolete
59	1 EA	Honeywell HCCM474M Security Camera	P6010163					\$ -		Obsolete
59	1 EA	Honeywell HCCM474M Security Camera	P6010155					\$ -		Obsolete
59	1 EA	Honeywell HCCM474M Security Camera	P6010253					\$ -		Obsolete
59	1 EA	Honeywell HCCM474M Security Camera	P6010098					\$ -		Obsolete
59	1 EA	Honeywell HCCM474M Security Camera	P6010161					\$ -		Obsolete
59	1 EA	Honeywell HCCM474M Security Camera						\$ -		Obsolete
59	1 EA	Honeywell Dome Security Camera ORB0012-00	F03-051640					\$ -		Obsolete
59	1 EA	Honeywell Dome Security Camera ORB0012-00	F03-132009					\$ -		Obsolete
59	1 EA	Honeywell Dome Security Camera G18XNVC1-00	H03-200960					\$ -		Obsolete
59	1 EA	Honeywell Dome Security Camera G18CNVC1-00	G06-179528					\$ -		Obsolete
59	1 EA	Honeywell Dome Security Camera ORB0012-00	F03-051671					\$ -		Obsolete

Discussion and Action as Necessary on Terra-Gen Development Company, LLC, Tax Abatement Applications, Agreements, and Resolutions

- A. Buenos Aires Windpower, LLC
- B. Monte Cristo Windpower, LLC
- C. La Joya Windpower, LLC
- D. West Willacy Windpower, LLC (Monte Alto)

On September 5, 2019, Mr. Jesus Ramirez, South Texas College's Legal Counsel, and Mary Elizondo, Vice President for Finance and Administrative Services, met with Mr. Robert Peña, President of Texas Energy, to discuss the terms of the proposed agreement with Terra-Gen Development Company, LLC.

As of publishing date of the Committee packet, the College has not received any additional updates from Mr. Peña or Terra-Gen representatives.

It is requested that the Finance, Audit, and Human Resources committee recommend for Board approval at the September 24, 2019 Board meeting, to take action as necessary regarding the Terra-Gen Development Company, LLC, Tax Abatement if needed.