

**South Texas College**  
**Board of Trustees**  
**Finance, Audit, and Human Resources Committee**  
**Ann Richards Administration Building Board Room**  
**Pecan Campus, McAllen, Texas**  
**Tuesday, October 8, 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.”

- I. Approval of September 10, 2019 Finance, Audit, and Human Resources Committee Minutes..... 1-7
- II. Review and Recommend Action on Award of Proposals, Purchases, Renewals, and Interlocal Agreements ..... 8-31
- III. Review and Recommend Action to Revise Policy #5120: Investment Policy and Investment Strategy Statement..... 32-46
- IV. Review and Recommend Action to Revise Policy #5220: Contractors: Consultant Services, Professional Services and Honoraria..... 47-48
- V. Review and Recommend Action to Revise Resolution 2020-004 Authorizing Investment Brokers, Dealers, Banks, and Investment Pools ..... 49-53
- VI. Discussion and Action as Necessary on Terra-Gen Development Company, LLC, Tax Abatement Applications, Agreements, and Resolutions..... 54
  - A. Buenos Aires Windpower, LLC
  - B. Monte Cristo Windpower, LLC
  - C. La Joya Windpower, LLC
  - D. West Willacy Windpower, LLC (Monte Alto)

**Approval of September 10, 2019 Finance, Audit, and Human Resources Committee  
Minutes**

The Minutes for the Finance, Audit, and Human Resources Committee Meeting of September 10, 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, September 10, 2019 @ 5:30 p.m.**

**Minutes**

The Finance, Audit, and Human Resources Committee Meeting was held on Tuesday, September, 10, 2019 in the Ann Richards Administration Building Board Room at the Pecan Campus in McAllen, Texas. The meeting commenced at 6:05 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, Mr. Jesus Ramirez, Mrs. Mary Elizondo, Dr. David Plummer, Mrs. Myriam Lopez, Mr. George McCaleb, Mrs. Becky Cavazos, Mrs. Brenda Balderaz, Mr. Ricardo De La Garza, Mr. Luis De La Garza, and Mr. Andrew Fish.

**Approval of August 13, 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 August 13, 2019 were approved as written. The motion carried.

**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.

Finance, Audit, and Human Resources  
Committee Minutes 09-10-2019

Mr. Paul R. Rodriguez asked about the solicitation process used for the proposed purchase of advertisement/classified ads from AIM Media Texas, noting that there may be alternative county-wide options available to the College.

Staff agreed to look into alternatives and to bring a recommendation back to the Committee in October 2019.

Upon a motion by Mr. Rene Guajardo and a second by Mr. Paul R. Rodriguez, 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 provided.

Mr. Rodriguez then noted that item #2 should be excluded from the recommendation for Board approval, and moved to amend the motion to exclude item #2. Mr. Rene Guajardo seconded the amendment.

#### **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
<b>Audio Fidelity Communications, Corp./dba Whitlock</b> (Austin, TX) – State of Texas Department of Information Resources (DIR)	\$10,000.00
<b>Audio Visual Aids</b> (San Antonio, TX) – Texas Association of School Boards (TASB) – Buyboard and The Interlocal Purchasing System (TIPS)	\$80,000.00
<b>B &amp; H Foto &amp; Electronics, Corp./B &amp; H Photo Video</b> (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
<b>Howard Technology Solutions</b> (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
<b>CDW Government</b> (Vernon Hills, IL) – State of Texas Information Resources (DIR), Harris County Dept of Ed – Choice Partners, E&I Cooperative Services, OMNIA Public Sector, Sourcwell, and The Interlocal Purchasing System (TIPS)	\$140,000.00
<b>CRC Computer Repair Center</b> (McAllen, TX) – State of Texas Department of Information Resources (DIR)	\$80,000.00

<b>Vendor/Purchasing Cooperative</b>	<b>Amount</b>
<b>Dell Marketing, LP.</b> (Dallas, TX) – State of Texas Department of Information Resources (DIR)	\$80,000.00
<b>GovConnection</b> (Merrimack, NH) –Harris County Dept of Ed – Choice Partners, and The Interlocal Purchasing System (TIPS)	\$10,000.00
<b>SHI Government Solutions, Inc.</b> (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, after the deletion of item #2, was \$1,011,055.00.

The motion carried.

### **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 requested approval of the disposal through a live auction of surplus property valued at \$5,000 and over. These assets were part of the College’s inventory therefore, it was also requested that these assets be removed from inventory and the general ledger.

Justification and Benefit – It was 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 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 were located at the South Texas College Receiving Department, 3700 W. Military Hwy., McAllen, TX. The auction would be scheduled in the Fall at the auctioneers' site due lack of space at the Central Receiving Warehouse.

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

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

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 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. The motion carried.

### **Executive Session:**

The South Texas College Board Finance and Human Resources Committee convened into Executive Session at 6:09 p.m. in accordance with Chapter 551 of the Texas Government Code for the specific purpose provided in:

- Section 551.071, Consultations with Attorney
- 1. Discussion and Action as Necessary on Terra-Gen Development Company, LLC, Tax Abatement Applications, Agreements, and Resolutions

### **Open Session:**

The South Texas College Board Finance and Human Resources Committee returned to Open Session at 6:45 p.m. No action was taken in Executive Session

**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 had not received any additional updates from Mr. Peña or Terra-Gen representatives.

No action was taken.

**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 6:46 p.m.

I certify that the foregoing are the true and correct Minutes of the September 10, 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 Proposals, Purchases, Renewals, and Interlocal Agreements**

Approval of the following award of proposals, purchases, renewals, and interlocal agreements will be requested at the October 29, 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 Proposals**
- B. Purchases and Renewals**
  - a. Instructional Item**
  - b. Non-Instructional Item**
  - c. Technology Items**
- C. Interlocal Agreements**

### **A. Award of Proposals**

#### **1) Catering Services (Award)**

Award the proposal for catering services for the period beginning November 28, 2019 through November 27, 2020 with two one-year options to renew, at an estimated amount of \$85,000.00, which is based on prior year expenditures. The vendors are as follows:

Vendors	Vendors
<b>Amigos Del Valle, Inc.</b> (Edinburg, TX) (New)	<b>Atencion Selecta, LLC./ dba Teresita's at Los Lagos</b> (Edinburg, TX)
<b>Bread and Butter Bakery Caffee</b> (McAllen, TX) (New)	<b>Luis Magdaleno/ dba Chick-Fil-A 27<sup>th</sup> &amp; Nolana</b> (McAllen, TX)
<b>Chick-Fil-A Sharyland Towne Crossing</b> (Mission, TX)	<b>Coastal Deli, Inc./ dba Jason's Deli</b> (Corpus Christi, TX)
<b>Cornerstone Catering</b> (Mission, TX)	<b>Pizza Hut Muy Pizzas Tejas</b> (San Antonio, TX)
<b>Pizza Properties, Inc./ dba Peter Piper Pizza</b> (El Paso, TX)	<b>Siempre Natural</b> (Mission, TX) (New)

**Purpose** – Various college departments and instructional programs are requesting to purchase food and drinks for meetings and events attended by faculty, staff, students, and the community.

**Justification and Benefit** – The catering services are necessary throughout the district for student activities events, professional development events, South Texas College sponsored events, and division meetings. The vendors provide sandwiches, salads, soups, pizza, variety of trays, wraps, breakfast tacos, plate lunches, pastries, desserts, and drinks.

Background – Proposal documents were advertised on August 8, 2019 and September 5, 2019 and issued to thirty-six (36) vendors. Ten (10) responses were received on September 13, 2019 and reviewed by the Purchasing Department.

Funds for this expenditure are budgeted in various auxiliary budgets for FY 2019 – 2020.

## 2) Fire Suppression Systems Service (Award)

Award the proposal for fire suppression systems service to the following vendors, for the period beginning November 29, 2019 through November 28, 2020 with two one-year options to renew, at an estimated amount of \$211,587.00:

#	Services	Vendor	Amount
1	Fire Alarm Panels	<b>Strongline Security &amp; Fire</b> (San Juan, TX)	\$20,300.00
2	Fire Alarm Repairs	<b>Strongline Security &amp; Fire</b> (San Juan, TX)	\$60,000.00
3	Kitchen Hoods	<b>1<sup>st</sup> FP McAllen, LLC.</b> (McAllen, TX)	\$1,202.00
4	Kitchen Hoods Repairs	<b>1<sup>st</sup> FP McAllen, LLC.</b> (McAllen, TX)	\$10,000.00
5	Fire Sprinklers Inspections	<b>1<sup>st</sup> FP McAllen, LLC.</b> (McAllen, TX)	\$16,125.00
6	Fire Sprinklers Repairs	<b>1<sup>st</sup> FP McAllen, LLC.</b> (McAllen, TX)	\$70,000.00
7	Clean Agent Fire Suppression System Inspection	<b>1<sup>st</sup> FP McAllen, LLC.</b> (McAllen, TX)	\$3,960.00
8	Fire Extinguishers / Inspection Rates	<b>EI Fire &amp; Safety, Inc.</b> (Mission, TX)	\$10,000.00
9	Hydro Test Rates	<b>EI Fire &amp; Safety, Inc.</b> (Mission, TX)	\$10,000.00
10	Recharge Rates	<b>EI Fire &amp; Safety, Inc.</b> (Mission, TX)	\$10,000.00

Purpose – Facilities Operations and Maintenance is requesting fire suppression systems service and repairs for all campuses district wide.

Justification and Benefit – The building fire suppression systems are inspected and repaired on an annual basis, which includes the fire alarm system, fire sprinkler system, kitchen hoods, and portable fire extinguishers.

Background – Proposal documents were advertised on September 4, 2019 and September 11, 2019 and issued to thirteen (13) vendors. Five (5) responses were received on September 19, 2019 and reviewed by Facilities Operations and Maintenance and the Purchasing Department.

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

## 3) Truck Driver/Bus Driver Training (Award)

Award the proposal for truck driver/bus driver training to **Vision Truck Driving School** (Dallas, TX) (New), for the period beginning November 1, 2019 through October 31, 2020 with two one-year options to renew, at an 18% commission to the College retained from

each student's tuition. This amount is the same for all the following trainings: Truck Driver, Bus Driver, and Truck Driver/Bus Driver combination.

**Purpose –** Continuing Professional and Workforce Education is requesting truck driver/bus driver training which will provide hands-on skill development and instruction in preparation for the Commercial Driver's License (CDL) examination.

**Justification and Benefit –** The truck driver/bus driver training contractor will provide training instruction and preparation for the Commercial Driver's License Exam which requires a minimum of 200 clock hours and related services in support of such training in McAllen, Weslaco, and Rio Grande City for student in Hidalgo and Starr counties.

**Background –** Proposal documents were advertised on August 19, 2019 and August 26, 2019 and issued to twenty-eight (28) vendors. Three (3) responses were received on September 4, 2019 and reviewed by Continuing Professional and Workforce Education and the Purchasing Department.

## **B. Purchases and Renewals (B-a. Instructional Item)**

### **4) Industrial Supplies, Materials, and Accessories (Renewal)**

Renew the industrial supplies, materials, and accessories contracts for the period beginning November 25, 2019 through November 24, 2020, at an estimated amount of \$90,000.00, which is based on prior year expenditures. The vendors are as follows:

- **Burton Companies** (Weslaco, TX)
- **Industrial Supplier Larey, Inc./ dba International Industrial Supply Company** (Brownsville, TX)
- **MSC Industrial Supply Company** (Harlingen, TX)
- **Rex Supply Company** (Pharr, TX)

**Purpose –** The Institute for Advanced Manufacturing (IAM) and Advanced Manufacturing Technology Program are requesting to purchase industrial supplies, materials, and accessories for student instruction.

**Justification and Benefit –** The industrial supplies, materials, and accessories included steel rods, aluminum rods, steel rods, and drill rods used in the instructional labs.

**Background –** The Board awarded the contracts for industrial supplies, materials, and accessories at the October 30, 2018 Board of Trustees meeting for one year with two one-year annual renewals. The first renewal period begins November 25, 2019 through November 24, 2020.

Award	Board Meeting Date	Original Term	Renewal Term
Original	10/30/18	11/25/18 – 11/24/19	2 – one year options
1 <sup>st</sup> Renewal	10/29/19		11/25/19 – 11/24/20

Funds for this expenditure are budgeted in the IAM and Advance Manufacturing Technology budgets for FY 2019 – 2020.

**B. Purchases and Renewals (B-b. Non – Instructional Item)**

**5) Reprographic Services (Renewal)**

Renew the reprographic services contract with **RGV Reprographic, Inc.** (McAllen, TX), for the period beginning December 12, 2019 through December 11, 2020, at an estimated amount of \$15,000.00, which is based on prior year expenditures.

Purpose – Facilities Planning and Construction is requesting reprographic services for the various construction and renovation projects.

Justification and Benefit – The reprographic services will include the printing of construction or renovation project documents and specification manuals for the contractors that are interested in submitting a proposal. These documents and manuals are various sizes, which require these services. It is also required that all documents and manuals be tracked when released. At the time of release, the contractors will be required to provide a deposit to obtain the documents.

Background – The Board awarded the contracts for reprographic services at the December 4, 2018 Board of Trustees meeting for one year with two one-year annual renewals. The first renewal period begins December 12, 2019 through December 11, 2020.

Award	Board Meeting Date	Original Term	Renewal Term
Original	12/04/18	12/12/18 – 12/11/19	2 – one year options
1 <sup>st</sup> Renewal	10/29/19		12/12/19 – 12/11/20

Funds for this expenditure are budgeted in Facilities Planning and Construction and various Construction budgets for FY 2019 – 2020.

**B. Purchases and Renewals (B-c. Technology Items)**

**6) Course Management Support Services (Purchase)**

Purchase a course management support services from **Blackboard, Inc.** (Indianapolis, IN), a sole source vendor, for the period beginning November 1, 2019 through October 31, 2020, at a total amount of \$65,000.00.

Purpose – Distance Learning is requesting the purchase of a course management support services software named Blackboard Ally. It is a new accessibility tool that integrates with Blackboard to support faculty and students.

Justification and Benefit – The software automatically scans uploaded files and course materials and looks for common accessibility issues. It provides immediate insight into the level of accessibility in the course and feedback on how the content can be improved for better quality and usability for everyone. Some of the additional benefits include auto-

generated explanations of the problem related to accessibility for each file and provides a recommended resolution to the problem by including steps to make the file an accessible version.

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

#### **7) Microsoft Campus License Agreement (Renewal)**

Renew the Microsoft campus license agreement with **Software House International (SHI) Government Solutions, Inc.** (Austin, TX), a State of Texas Department of Information Resources (DIR) approved vendor, for the period beginning November 1, 2019 through October 31, 2020, at a total amount of \$174,139.86.

Purpose - Information Technologies is requesting to purchase Microsoft non-perpetual licenses that includes a one-year price assurance and a non-perpetual license that includes upgrades for currently used software products to ensure that all of the College-owned computers have copyright complaint software installed. These software licenses are used by faculty, staff, and students for instructional and operational purposes.

Justification and Benefit – The Microsoft Campus License agreement includes the following softwares: Windows 10 Enterprise Upgrade, Microsoft Office Professional Plus 2019 and Office for Mac 2019, Microsoft Enterprise Client Access License (CAL) Suite, CAL for: Office 365 Pro Plus for faculty and staff, Office Pro Plus and Office 365 A3 for students, Microsoft Exchange Online advanced Thread Protection for faculty, staff, and students, one hundred and seventy (170) Microsoft Windows Server DC Core Licenses, four hundred (400) Windows Server Standard Core Licenses, two hundred (200) Microsoft Windows Virtual Desktop Access, twenty (20) Microsoft Visual Studio Professional with MSDN licenses, and fifty (50) Microsoft Windows Remote Desktop Services License and Software assurance.

Funds for this expenditure are budgeted in the Information Technology Client Services budget for FY 2019 - 2020.

### **C. Interlocal Agreements**

#### **8) Facility Usage Interlocal Agreements (Lease/Rental)**

Lease/Rental facility usage interlocal agreements with the **City of Edinburg** (Edinburg, TX), **City of McAllen** (McAllen, TX), and **City of Mission** (Mission, TX), for the period beginning November 1, 2019 through July 31, 2020, at an estimated amount of \$27,224.00.

Purpose – The Center for Mexican American Studies and Ballet Folklorico South Texas College are requesting the lease/rental of various facilities for several events.

Justification and Benefit – The Center for Mexican American Studies and Ballet Folklorico South Texas College is hosting their annual Amistades Concert Series in an effort to continue sharing the stage with local school districts and community performing groups. This is a concert series in which our student dancers get to interact and share their skills and knowledge in dance with grade school students. It is highly successful as those students get

to perform alongside our dancers and are aware that they can continue dancing upon entering South Texas College as academic students. This event is scheduled for November 2019 and January 2020. In February 2020, we are scheduled to host our Tradiciones 2020 concert. This is our main concert in which we are accompanied by musicians across Mexico and we get to showcase the dances we have learned and prepared throughout the academic year.

The March 2020 rental of the McAllen Convention Center is for our annual Folklorico and Contemporary Dance competition. This will be our 7th consecutive year in hosting this event where the local school districts and community performing groups come together to showcase their best dances and skills. Finally, given the success of the July 2019 summer dance workshops, we are looking to hosting these workshops again in July 2020. We hosted groups from across Texas and hope it continues to grow in number of attendees, as we host this summer event year after year.

Date	Event	Location	Amount
November 2019	Amistades Concert Series	City of Edinburg - Edinburg Municipal Auditorium	\$800.00
January 2020	Amistades Concert Series	City of Edinburg - Edinburg Municipal Auditorium	\$800.00
February 2020	Tradiciones 2020	City of McAllen – McAllen Performing Arts Center	\$6,624.00
March 2020	STC Folkloric & Contemporary Dance Competition 2020	City of McAllen – McAllen Convention Center	\$9,000.00
July 2020	STC Folkloric & Contemporary Dance Workshops	City of Mission – Mission Events Center	\$10,000.00

Fund for this expenditure are budgeted in the Center for Mexican American Studies, Folkloric Dance, and Ballet Folkloric Auxiliary budgets for FY 2019 – 2020.

**Recommendation:**

It is requested that the Finance, Audit, and Human Resources Committee recommend for Board approval at the October 29, 2019 Board meeting the award of proposals, purchases, renewals, and interlocal agreements as listed below:

**A. Award of Proposals**

**B. Purchases and Renewals**

**a. Instructional Item**

**b. Non-Instructional Item**

**c. Technology Items**

**C. Interlocal Agreements**

### A. Award of Proposals

- 1) **Catering Services (Award):** award the proposal for catering services for the period beginning November 28, 2019 through November 27, 2020 with two one-year options to renew, at an estimated amount of \$85,000.00, which is based on prior year expenditures. The vendors are as follows:

Vendors	Vendors
<b>Amigos Del Valle, Inc.</b> (Edinburg, TX) (New)	<b>Atencion Selecta, LLC./ dba Teresita's at Los Lagos</b> (Edinburg, TX)
<b>Bread and Butter Bakery Caffee</b> (McAllen, TX) (New)	<b>Luis Magdaleno/ dba Chick-Fil-A 27<sup>th</sup> &amp; Nolana</b> (McAllen, TX)
<b>Chick-Fil-A Sharyland Towne Crossing</b> (Mission, TX)	<b>Coastal Deli, Inc./ dba Jason's Deli</b> (Corpus Christi, TX)
<b>Cornerstone Catering</b> (Mission, TX)	<b>Pizza Hut Muy Pizzas Tejas</b> (San Antonio, TX)
<b>Pizza Properties, Inc./ dba Peter Piper Pizza</b> (El Paso, TX)	<b>Siempre Natural</b> (Mission, TX) (New)

- 2) **Fire Suppression Systems Service (Award):** award the proposal for fire suppression systems service to the following vendors, for the period beginning November 29, 2019 through November 28, 2020 with two one-year options to renew, at an estimated amount of \$211,587.00:

#	Services	Vendor	Amount
1	Fire Alarm Panels	<b>Strongline Security &amp; Fire</b> (San Juan, TX)	\$20,300.00
2	Fire Alarm Repairs	<b>Strongline Security &amp; Fire</b> (San Juan, TX)	\$60,000.00
3	Kitchen Hoods	<b>1<sup>st</sup> FP McAllen, LLC.</b> (McAllen, TX)	\$1,202.00
4	Kitchen Hoods Repairs	<b>1<sup>st</sup> FP McAllen, LLC.</b> (McAllen, TX)	\$10,000.00
5	Fire Sprinklers Inspections	<b>1<sup>st</sup> FP McAllen, LLC.</b> (McAllen, TX)	\$16,125.00
6	Fire Sprinklers Repairs	<b>1<sup>st</sup> FP McAllen, LLC.</b> (McAllen, TX)	\$70,000.00
7	Clean Agent Fire Suppression System Inspection	<b>1<sup>st</sup> FP McAllen, LLC.</b> (McAllen, TX)	\$3,960.00
8	Fire Extinguishers / Inspection Rates	<b>El Fire &amp; Safety, Inc.</b> (Mission, TX)	\$10,000.00
9	Hydro Test Rates	<b>El Fire &amp; Safety, Inc.</b> (Mission, TX)	\$10,000.00
10	Recharge Rates	<b>El Fire &amp; Safety, Inc.</b> (Mission, TX)	\$10,000.00

- 3) **Truck Driver/Bus Driver Training (Award):** award the proposal for truck driver/bus driver training to **Vision Truck Driving School** (Dallas, TX) (New), for the period beginning November 1, 2019 through October 31, 2020 with two one-year options to renew, at an 18% commission to the College retained from each student's tuition. This amount is the same for all the following trainings: Truck Driver, Bus Driver, and Truck Driver/Bus Driver combination;

**B. Purchases and Renewals (B-a Instructional Item)**

- 4) Industrial Supplies, Materials, and Accessories (Renewal):** renew the industrial supplies, materials, and accessories contracts for the period beginning November 25, 2019 through November 24, 2020, at an estimated amount of \$90,000.00, which is based on prior year expenditures. The vendors are as follows:
- **Burton Companies** (Weslaco, TX)
  - **Industrial Supplier Larey, Inc./ dba International Industrial Supply Company** (Brownsville, TX)
  - **MSC Industrial Supply Company** (Harlingen, TX)
  - **Rex Supply Company** (Pharr, TX)

**B. Purchases and Renewals (B-b. Non-Instructional Item)**

- 5) Reprographic Services (Renewal):** renew the reprographic services contract with **RGV Reprographic, Inc.** (McAllen, TX), for the period beginning December 12, 2019 through December 11, 2020, at an estimated amount of \$15,000.00, which is based on prior year expenditures;

**B. Purchases and Renewal (B-c. Technology Items)**

- 6) Course Management Support Services (Purchase):** purchase course management support services from **Blackboard, Inc.** (Indianapolis, IN), a sole source vendor, for the period beginning November 1, 2019 through October 31, 2020, at a total amount of \$65,000.00;
- 7) Microsoft Campus License Agreement (Renewal):** renew the Microsoft campus license agreement with **Software House International (SHI) Government Solutions, Inc.** (Austin, TX), a State of Texas Department of Information Resources (DIR) approved vendor, for the period beginning November 1, 2019 through October 31, 2020, at a total amount of \$174,139.86;

**C. Interlocal Agreements**

- 8) Facility Usage Interlocal Agreements (Lease/Rental):** lease/rental facility usage agreements with **the City of Edinburg** (Edinburg, TX), **City of McAllen** (McAllen, TX), and **City of Mission** (Mission, TX), for the period beginning November 1, 2019 through July 31, 2020, at an estimated amount of \$27,224.00;

Recommend Action - The total for all award of proposals, purchases, renewals, and interlocal agreements is \$667,950.86



SOUTH TEXAS COLLEGE  
1. CATERING SERVICES  
PROJECT NO. 19-20-1017

<b>VENDOR</b>	Amigos Del Valle, Inc.	Atencion Selecta, LLC./dba Teresita's at Los Lagos	Bread and Butter Bakery Caffe	Luis Magdaleno/ dba Chick-Fil-A 27th & Nolana	Chick-Fil-A Sharyland Towne Crossing
<b>ADDRESS</b>	4138 Crosspoint Blvd	2719 Leslie St	1126 Pecan Blvd	2709 W Nolana Ave	2501 E US Expway 83
<b>CITY/STATE/ZIP</b>	Edinburg, TX 78539	Edinburg, TX 78539	McAllen, TX 78501	McAllen, TX 78504	Mission, TX 78572
<b>PHONE</b>	956-213-9400	956-289-6530	956-627-5984	956-686-7441	956-682-0055
<b>FAX</b>	956-213-8119			956-686-7447	956-682-2945
<b>CONTACT</b>	Alejandro Guerra	Rodolfo Sanchez-Rendon	Camilo Garza	Lindsey Bushey	Jennifer L. Venecia
<b>#</b>	<b>Description</b>	<b>Discount</b>	<b>Discount</b>	<b>Discount</b>	<b>Discount</b>
1	Food Menu	0%	0%	0%	0%
2	Advance Order to Assure Delivery	2 Week Notice	1 Week Notice	24 Hour Notice	24 Hour Notice - but every call will be considered
3	Minimum Order Requirement	50 Guests	\$50.00 Minimum \$15.00 Delivery Fee	\$100.00 Minimum for Delivery	\$150.00
4	2nd Year Escalation	5%	10%	0%	6% Depending on Corporate Markup
5	3rd Year Escalation	5%	10%	0%	6% Depending on Corporate Markup

The Director of Purchasing has reviewed all the responses.

SOUTH TEXAS COLLEGE  
1. CATERING SERVICES  
PROJECT NO. 19-20-1017

<b>VENDOR</b>	Coastal Deli, Inc./ dba Jason's Deli	Cornerstone Catering	Pizza Hut Muy Pizzas Tejas	Pizza Properties, Inc./ dba Peter Piper Pizza	Siempre Natural
<b>ADDRESS</b>	6000 S Staples Ste 300	4406 Santa Fabiola	17890 Blanco Rd Ste 401	4445 N Mesa Ste 100	2310 E Expway 83 Ste 1
<b>CITY/STATE/ZIP</b>	Corpus Christi, TX 78413	Mission, TX 78572	San Antonio, TX 78232	El Paso, TX 79902	Mission, TX 78572
<b>PHONE</b>	361-854-5446	956-445-3446	956-687-7859	915-544-8565	956-844-7641
<b>FAX</b>	361-854-0565			915-541-8242	956-686-4447
<b>CONTACT</b>	Merle E. Huston III	Roberto Ravelo	Rico Flores	Polly H. Vaughn	Paul Gonzalez
<b>#</b>	<b>Description</b>	<b>Discount</b>	<b>Discount</b>	<b>Discount</b>	<b>Discount</b>
1	Food Menu	0%	0%	0%	0%
2	Advance Order to Assure Delivery	Same Day	24 Hour Notice (would be preferred)	24 Hour Notice (1 week advance notice preferred)	24 Hour Notice
3	Minimum Order Requirement	\$20.00 Minimum	No Minimum	\$100.00 minimum for Delivery - No Minimum for Dine-In or Carry Out	\$20.00 Minimum
4	2nd Year Escalation	Current Menu Price	5%	3%	0%
5	3rd Year Escalation	Current Menu Price	5%	3%	0%

The Director of Purchasing has reviewed all the responses.

**SOUTH TEXAS COLLEGE**  
**2. FIRE SUPPRESSION SYSTEMS SERVICE**  
**PROJECT NO. 19-20-1018**

VENDOR	1st FP McAllen, LLC.	El Fire & Safety, Inc.	Safeguard Fire & Safety	Strongline Security & Fire	Western States Fire Protection	
ADDRESS	2053 Industrial Dr	3505 San Eugenio	12005 N Bryan Rd	3701 Jesenia St	2601 E Expway 83 Ste A	
CITY/STATE/ZIP	McAllen, TX 78504	Mission, TX 78572	Mission, TX 78573	San Juan, TX 78589	Donna, TX 78537	
PHONE	956-682-3473	956-600-8929	956-618-7233	956-739-6514	956-246-2265	
CONTACT	Pete Desmond	Fernando Rodriguez	Daniel Backhaus	Luis A. Grimaldo	Marco A. Valencia	
Description	Year 1	Year 2	Year 3	Year 1	Year 2	Year 3
Fire Alarms Panels						
Pecan Plaza	\$2,550.00	\$2,550.00	\$2,550.00	\$18,525.00	\$18,525.00	\$18,525.00
Pecan Campus	\$16,150.00	\$16,150.00	\$16,100.00	\$184,800.00	\$184,800.00	\$184,800.00
Nursing and Allied Health Campus	\$3,400.00	\$3,400.00	\$3,400.00	\$59,925.00	\$59,925.00	\$59,925.00
Technology Campus	\$5,950.00	\$5,950.00	\$5,950.00	\$67,125.00	\$67,125.00	\$67,125.00
Mid Valley Campus	\$11,050.00	\$11,500.00	\$11,500.00	\$119,100.00	\$119,100.00	\$119,100.00
Starr County Campus	\$8,500.00	\$8,500.00	\$8,500.00	\$57,825.00	\$57,825.00	\$57,825.00
Regional Center for Public Safety Excellence	\$850.00	\$850.00	\$850.00	\$6,525.00	\$6,525.00	\$6,525.00
Total	\$48,450.00	\$48,900.00	\$48,850.00	\$513,825.00	\$513,825.00	\$513,825.00
Fire Alarms Repairs						
Per Hour Weekdays	\$85.00/Tech			\$55.00		
Per Hour Weekends and Holidays	\$127.50/Tech			\$75.00		
Per Hour Travel				\$55.00		
Per Mile				\$0.91		
Kitchen Hoods						
Pecan Campus	\$289.00	\$289.00	\$289.00	\$550.00	\$525.00	\$525.00
Culinary Kitchen (Pecan Campus)	\$159.00	\$159.00	\$159.00	\$650.00	\$630.00	\$630.00
Technology Campus	\$89.00	\$89.00	\$89.00	\$230.00	\$200.00	\$200.00
Mid Valley Campus	\$269.00	\$269.00	\$269.00	\$280.00	\$255.00	\$255.00
Starr County Campus	\$198.00	\$198.00	\$198.00	\$220.00	\$200.00	\$200.00
Nursing/Allied Health Campus	\$198.00	\$198.00	\$198.00	\$455.00	\$425.00	\$425.00
Total	\$1,202.00	\$1,202.00	\$1,202.00	\$2,385.00	\$2,235.00	\$2,235.00
Kitchen Hood Repairs						
Per Hour Weekdays	\$50.00/Tech			\$82.50		
Per Hour Weekends and Holidays	\$75.00/Tech			\$123.00		
Per Hour Travel	\$25.00/Tech			\$55.00		
Per Mile	\$0.00			\$0.91		

**SOUTH TEXAS COLLEGE**  
**2. FIRE SUPPRESSION SYSTEMS SERVICE**  
**PROJECT NO. 19-20-1018**

VENDOR	1st FP McAllen, LLC.	El Fire & Safety, Inc.	Safeguard Fire & Safety	Strongline Security & Fire	Western States Fire Protection	
ADDRESS	2053 Industrial Dr	3505 San Eugenio	12005 N Bryan Rd	3701 Jesenia St	2601 E Expway 83 Ste A	
CITY/STATE/ZIP	McAllen, TX 78504	Mission, TX 78572	Mission, TX 78573	San Juan, TX 78589	Donna, TX 78537	
PHONE	956-682-3473	956-600-8929	956-618-7233	956-739-6514	956-246-2265	
CONTACT	Pete Desmond	Fernando Rodriguez	Daniel Backhaus	Luis A. Grimaldo	Marco A. Valencia	
Description	Year 1	Year 2	Year 3	Year 1	Year 2	Year 3
Fire Sprinklers Inspections						
Pecan Campus	\$5,825.00	\$5,825.00	\$5,825.00	\$24,960.00	\$24,960.00	\$24,960.00
Pecan Plaza	\$550.00	\$550.00	\$550.00	\$1,800.00	\$1,800.00	\$1,800.00
Technology Center	\$1,600.00	\$1,600.00	\$1,600.00	\$8,820.00	\$8,820.00	\$8,820.00
Nursing and Allied Health Center	\$2,100.00	\$2,100.00	\$2,100.00	\$5,040.00	\$5,040.00	\$5,040.00
Mid Valley Campus	\$2,900.00	\$2,900.00	\$2,900.00	\$13,500.00	\$13,500.00	\$13,500.00
Starr Campus	\$2,925.00	\$2,925.00	\$2,925.00	\$12,420.00	\$12,420.00	\$12,420.00
Regional Center for Public Safety Excellence	\$225.00	\$225.00	\$225.00	\$900.00	\$900.00	\$900.00
Total	\$16,125.00	\$16,125.00	\$16,125.00	\$67,440.00	\$67,440.00	\$67,440.00
Fire Sprinklers Repairs						
Per Hour Weekdays	\$75.00/Tech			\$90.75		
Per Hour Weekends and Holidays	\$112.50/Tech			\$137.50		
Per Hour Travel				\$74.25		
Per Mile				\$0.36		
Clean Agent Fire Suppression System Inspection						
2501 Pecan Plaza	\$1,980.00	\$1,980.00	\$1,980.00	\$3,360.00	\$3,360.00	\$3,360.00
Cheerth XI, FE-25 Chemical						
Pecan Campus Bldg M	\$1,980.00	\$1,980.00	\$1,980.00	\$4,320.00	\$4,320.00	\$4,320.00
Notifier AFP-199						
Total	\$3,960.00	\$3,960.00	\$3,960.00	\$7,680.00	\$7,680.00	\$7,680.00
Fire Extinguishers/Inspection Rates						
Dry Chemical	\$4.75	\$4.75	\$4.75	\$1.25	\$1.25	\$1.25
CO2	\$4.75	\$4.75	\$4.75	\$1.25	\$1.25	\$1.25
5# ABC with New Hose						
10# ABC with New Hose						
20# ABC with New Hose						

**SOUTH TEXAS COLLEGE**  
**2. FIRE SUPPRESSION SYSTEMS SERVICE**  
**PROJECT NO. 19-20-1018**

VENDOR	1st FP McAllen, LLC.	El Fire & Safety, Inc.	Safeguard Fire & Safety	Strongline Security & Fire	Western States Fire Protection	
ADDRESS	2053 Industrial Dr McAllen, TX 78504	3505 San Eugenio Mission, TX 78572	12005 N Bryan Rd Mission, TX 78573	3701 Jesenia St San Juan, TX 78589	2601 E Expway 83 Ste A Donna, TX 78537	
CITY/STATE/ZIP						
PHONE	956-682-3473	956-600-8929	956-618-7233	956-739-6514	956-246-2265	
CONTACT	Pete Desmond	Fernando Rodriguez	Daniel Backhaus	Luis A. Grimaldo	Marco A. Valencia	
Description	Year 1	Year 2	Year 3	Year 1	Year 2	Year 3
Hydro Test Rates						
Dry Chemical	\$14.95	\$14.75	\$14.75	\$10.50	\$10.50	\$10.50
CO2	\$29.00	\$29.00	\$29.00	\$14.50	\$14.50	\$14.50
5# ABC Hydrostatic Test						\$35.71
10# ABC Hydrostatic Test						\$64.28
20# ABC Hydrostatic Test						\$107.14
Recharge Rates						
2- 1/2# ABC BC PK	\$10.50	\$10.50	\$10.50	\$5.00	\$5.00	\$5.00
5# ABC BC PK	\$15.50	\$15.50	\$15.50	\$8.00	\$8.00	\$8.00
6# ABC BC PK	\$15.50	\$15.50	\$15.50	\$9.00	\$9.00	\$9.00
10# ABC BC PK	\$19.50	\$19.50	\$19.50	\$15.00	\$15.00	\$15.00
20# ABC BC PK	\$25.00	\$25.00	\$25.00	\$19.00	\$19.00	\$19.00
5# ABC BC PK	\$15.50	\$15.50	\$15.50	\$15.00	\$15.00	\$15.00
10# ABC BC PK	\$19.50	\$19.50	\$19.50	\$20.00	\$20.00	\$20.00
Service Charge After Hours (After 5PM weekdays)	\$45.00	\$45.00	\$45.00	\$15.00	\$15.00	\$15.00
Summary of Services						
Fire Alarm Panels					\$	20,300.00
Fire Alarm Repairs					\$	60,000.00
Kitchen Hoods	\$	1,202.00				
Kitchen Hoods Repairs	\$	10,000.00				
Fire Sprinkler Inspections	\$	16,125.00				
Fire Sprinkler Repairs	\$	70,000.00				
Clean Agent Fire Suppression System Inspection	\$	3,960.00				
Fire Extinguishers/Inspection Rates		\$	10,000.00			
Hydro Test Rates		\$	10,000.00			
Recharge Rates		\$	10,000.00			
TOTAL EVALUATION POINTS	95.75		91.25	76.25	92.25	****
RANKING	1	3	4	2		****

\*\*\*\*The vendor did not complete required documents, therefore was not evaluated.

The Director of Purchasing has reviewed all the responses and evaluations completed.

**SOUTH TEXAS COLLEGE**  
**2. FIRE SUPPRESSION SYSTEMS SERVICE**  
**PROJECT NO. 19-20-1018**  
**EVALUATION SUMMARY**

VENDOR		1st FP McAllen, LLC.		El Fire & Safety, Inc.		Safeguard Fire & Safety		Strongline Security & Fire	
ADDRESS		2053 Industrial Dr		3505 San Eugenio		12005 N Bryan Rd		3701 Jesenia St	
CITY/STATE/ZIP		McAllen, TX 78504		Mission, TX 78572		Mission, TX 78573		San Juan, TX 78589	
PHONE		956-682-3473		956-600-8929		956-618-7233		956-739-6514	
CONTACT		Pete Desmond		Fernando Rodriguez		Daniel Backhaus		Luis A. Grimaldo	
1	The purchase price. (up to 40 points)	40	40	40	40	25	25	40	40
		40		25		40			
		40		25		40			
		40		25		40			
2	The reputation of the vendor and of the vendor's goods and/or services (up to 18 points)	16	16.5	15	15.25	16	15.75	17	15.75
		16		14		15			
		18		16		15			
		16		16		16			
3	The quality of the vendor's goods and/or services. (up to 18 points)	17	16.5	16	15.5	17	16	17	16
		16		14		15			
		17		16		16			
		16		16		16			
4	The extent to which the vendor's goods or services meet the college's needs. (up to 15 points)	14	14	14	13.5	14	13.5	14	13.5
		14		12		12			
		14		14		14			
		14		14		14			
5	The vendor's past relationship with the College. (up to 3 points)	3	3	3	2.75	2	2	3	2.75
		3		2		2			
		3		3		3			
		3		3		3			
6	The impact on the ability of the College to comply with laws and rules relating to Historically Underutilized Businesses. (up to 1 point)	1	1	0	0	0	0	0	0
		1		0		0			
		1		0		0			
		1		0		0			
7	The Total long-term cost to the college to acquire the vendor's goods or services. (up to 5 points)	5	4.75	5	4.25	5	4	5	4.25
		4		3		3			
		5		5		5			
		5		4		4			
TOTAL EVALUATION POINTS		95.75		91.25		76.25		92.25	
RANKING		1		3		4		2	

The Director of Purchasing has reviewed all the responses and evaluations completed.

**SOUTH TEXAS COLLEGE**  
**3. TRUCK DRIVER - BUS DRIVER TRAINING**  
**PROJECT NO. 19-20-1016**

<b>VENDOR</b>	Community Truck Driving School	STVT-AAI Education, Inc./ dba Ancora Corporate Training	Vision Truck Driving School
<b>ADDRESS</b>	1611 Chisholm Trail Ste 470	8701 Bedford Euless Rd Ste 400	5801 Marvin D Love #307
<b>CITY/STATE/ZIP</b>	Round Rock, TX 78681	Hurst, TX 76053	Dallas, TX 75237
<b>PHONE</b>	512-814-0102	910-599-3433	800-213-0037
<b>CONTACT</b>	Thomas Kamanda, Sr.	Natalie Williams	Rod Franklin
<b>Description</b>	<b>Proposed</b>	<b>Proposed</b>	<b>Proposed</b>
<b>Truck Driver Training Tuition and Fees per Student</b>			
1	Percentage to be Retained by STC 18%	\$5,000.00 Tuition \$160.00 Fees \$900.00 (18%)	\$5,000.00 \$900.00 (18%)
2	Percentage to be Retained by STC 20%	\$6,250.00 Gross \$5,000.00 CTDS Net \$1,250.00 STC Net	\$5,000.00 Tuition \$160.00 Fees \$1,000.00 (20%)
3	Percentage to be Retained by STC 22%	\$5,000.00 Tuition \$160.00 Fees \$1,100.00 (22%)	
<b>Bus Driver Training Tuition and Fees per Student</b>			
4	Percentage to be Retained by STC 18%	\$2,800.00 Tuition \$160.00 Fees \$504.00 (18%)	\$3,750.00 \$675.00 (18%)
5	Percentage to be Retained by STC 20%	\$3,125.00 (Gross) \$2,500.00 (CTDS Net) \$625.00 STC Net	\$2,800.00 Tuition \$160.00 Fees \$560.00 (20%)
6	Percentage to be Retained by STC 22%	\$2,800.00 Tuition \$160.00 Fees \$616.00 (22%)	
<b>TOTAL EVALUATION POINTS</b>		83	89
<b>RANKING</b>		3	2
			92
			1

The Director of Purchasing has reviewed all the responses and evaluations completed.

**SOUTH TEXAS COLLEGE**  
**3. TRUCK DRIVER - BUS DRIVER TRAINING**  
**PROJECT NO. 19-20-1016**  
**EVALUATION SUMMARY**

VENDOR		Community Truck Driving School		STVT-AAI Education, Inc./ dba Ancora Corporate Training		Vision Truck Driving School	
ADDRESS		1611 Chisholm Trail Ste 470		8701 Bedford Euless Rd Ste 400		5801 Marvin D Love #307	
CITY/STATE/ZIP		Round Rock, TX 78681		Hurst, TX 76053		Dallas, TX 75237	
PHONE		512-814-0102		910-599-3433		800-213-0037	
CONTACT		Thomas Kamanda, Sr.		Natalie Williams		Rod Franklin	
1	The purchase price. (up to 40 points)	34.64	34.63	40	40	37.12	37.12
		34.64		40		37.12	
		34.64		40		37.12	
		34.62		40		37.12	
2	The reputation of the vendor and the vendor's goods and/or services. (up to 18 points)	13	14.75	15	15.5	17	16.75
		15		15		15	
		17		18		17	
		14		14		18	
3	The quality of the vendor's goods and/or services. (up to 18 points)	15	14.75	15	14.75	17	16.75
		14		14		14	
		16		16		18	
		14		14		18	
4	The extent to which the vendor's goods and/or services meet the College's needs. (up to 15 points)	11	11.5	12	11.5	14	14.5
		13		11		15	
		11		12		15	
		11		11		14	
5	The vendor's past relationship with the College. (up to 3 points)	2	2	2	2	2	2
		2		2		2	
		2		2		2	
		2		2		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		0	
		0		0		0	
		0		0		0	
7	The total long-term cost to the college to acquire the vendor's goods or services. (up to 5 points)	5	5	5	5	5	5
		5		5		5	
		5		5		5	
		5		5		5	
TOTAL EVALUATION POINTS		83		89		92	
RANKING		3		2		1	

The Director of Purchasing has reviewed all the responses and evaluations completed.





Purchasing Department  
3200 W. Pecan Blvd., McAllen, TX 78501

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

4a

P.O. Box 9701, McAllen, TX 78502-9701  
[www.SouthTexasCollege.edu](http://www.SouthTexasCollege.edu)

September 13, 2019

Burton Companies  
Attn: Mr. C. Scott Vaughan  
529 East Highway 83  
Weslaco, TX 78596

Dear Mr. Vaughan:

On October 30, 2018, South Texas College awarded a contract to Burton Companies for Industrial Supplies, Materials, and Accessories. 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 first year of the contract and would like to renew for an additional one-year period. The first renewal period will be from November 25, 2019 through November 24, 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](mailto:beckyc@southtexascollege.edu).

Sincerely,

Rebecca R. Cavazos  
Director of Purchasing

Renewal of contract accepted through November 24, 2020 with no change in terms and conditions as per the South Texas College bid previously submitted.

Authorized Signature: \_\_\_\_\_

Name Printed: \_\_\_\_\_

Date: \_\_\_\_\_

9/13/19



Purchasing Department  
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](http://www.SouthTexasCollege.edu)

September 13, 2019

Industrial Supplier Larey, Inc. / dba International Industrial Supply Company  
Attn: Mr. Moises Lara  
3620 E. 14<sup>th</sup> Street  
Brownsville, TX 78521

Dear Mr. Lara:

On October 30, 2018, South Texas College awarded a contract to International Industrial Supply Company for Industrial Supplies, Materials, and Accessories. 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 first year of the contract and would like to renew for an additional one-year period. The first renewal period will be from November 25, 2019 through November 24, 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 returned via fax at (956) 872-4688 or email to Becky Cavazos at [beckyc@southtexascollege.edu](mailto:beckyc@southtexascollege.edu).

Sincerely,

Rebecca R. Cavazos  
Director of Purchasing

Renewal of contract accepted through November 24, 2020 with no change in terms and conditions as per the South Texas College bid previously submitted.

Authorized Signature: \_\_\_\_\_

Name Printed: **MOISES LARA**

Date: **09/13/2019**



Purchasing Department  
3200 W. Pecan Blvd., McAllen, TX 78501

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

4c

P.O. Box 9701, McAllen, TX 78502-9701  
[www.SouthTexasCollege.edu](http://www.SouthTexasCollege.edu)

September 13, 2019

MSC Industrial Supply Company  
Attn: Mr. Javier Zamora  
402 US 77 Frontage Rd  
Harlingen, TX 78550

Dear Mr. Zamora:

On October 30, 2018, South Texas College awarded a contract to MSC Industrial Supply Company for Industrial Supplies, Materials, and Accessories. 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 first year of the contract and would like to renew for an additional one-year period. The first renewal period will be from November 25, 2019 through November 24, 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](mailto:beckyc@southtexascollege.edu).

Sincerely,

Rebecca R. Cavazos  
Director of Purchasing

Renewal of contract accepted through November 24, 2020 with no change in terms and conditions as per the South Texas College bid previously submitted.

Authorized Signature:

Name Printed:

David Lugo

Date:

9/25/2019



Purchasing Department  
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](http://www.SouthTexasCollege.edu)

September 23, 2019

Rex Supply Company  
Attn: Mr. Ramiro Bernal  
1313 West 495  
Pharr, TX 78577

Dear Mr. Bernal:

On October 30, 2018, South Texas College awarded a contract to Rex Supply Company for Industrial Supplies, Materials, and Accessories. 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 first year of the contract and would like to renew for an additional one-year period. The first renewal period will be from November 25, 2019 through November 24, 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](mailto:beckyc@southtexascollege.edu).

Sincerely,

Rebecca R. Cavazos  
Director of Purchasing

Renewal of contract accepted through November 24, 2020 with no change in terms and conditions as per the South Texas College bid previously submitted.

Authorized Signature: Ramiro Bernal

Name Printed: Ramiro Bernal

Date: 9-23-19



Purchasing Department  
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](http://www.SouthTexasCollege.edu)

September 13, 2019

RGV Reprographic, Inc.  
Attn: Ms. Teresa C. Smith  
519 S. Broadway  
McAllen, TX 78501

Dear Ms. Smith:

On December 4, 2018, South Texas College awarded a contract to RGV Reprographics, Inc. for Reprographic Services. 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 first year of the contract and would like to renew for an additional one-year period. The first renewal period will be from December 12, 2019 through December 11, 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 returned via fax at (956) 872-4688 or email to Becky Cavazos at [beckyc@southtexascollege.edu](mailto:beckyc@southtexascollege.edu).

Sincerely,

Rebecca R. Cavazos  
Director of Purchasing

Renewal of contract accepted through December 11, 2020 with no change in terms and conditions as per the South Texas College bid previously submitted.

Authorized Signature:

Name Printed: Teresa C. Smith

Date: 9/17/2019

**SOUTH TEXAS COLLEGE**  
**6. COURSE MANAGEMENT SUPPORT SERVICES**

<b>NAME</b>			Blackboard, Inc.	
<b>ADDRESS</b>			3815 River Crossing Pkwy	
<b>CITY/STATE/ZIP</b>			Indianapolis, IN 46240	
<b>PHONE</b>			405-812-6703	
<b>CONTACT</b>			Christopher Burton	
<b>#</b>	<b>Qty</b>	<b>Description</b>	<b>Unit Price</b>	<b>Extension</b>
1	1	Blackboard Ally Package for Learn 15,001 - 25,000 FTE Period: 11/1/19 - 10/31/20	\$ 45,000.00	\$ 45,000.00
2	1	Blackboard Ally for Learn	\$ -	\$ -
3	1	Blackboard Ally Implementation for Learn	\$ -	\$ -
4	1	Accessibility for E-Learning Services Period: 11/1/19 - 10/31/20	\$ 18,000.00	\$ 18,000.00
5	1	Ally Remote Training Period: 11/1/19 - 10/31/20	\$ 2,000.00	\$ 2,000.00
<b>TOTAL AMOUNT</b>			\$ 65,000.00	

**SOUTH TEXAS COLLEGE**  
**7. MICROSOFT CAMPUS LICENSE AGREEMENT**

<b>NAME</b>			Software House International (SHI) Government Solutions, Inc.	
<b>ADDRESS</b>			1301 S Mo-Pac Expway Ste 375	
<b>CITY/STATE/ZIP</b>			Austin, TX 78746	
<b>PHONE</b>			512-914-3884	
<b>CONTACT</b>			Valerie Soja	
#	Qty	Description	Unit Price	Extension
1	2123	Microsoft 365 A3 Subscription License 1-User Hosted Academic EES Microsoft AAD-38391	\$ 56.22	\$ 119,355.06
2	170	Microsoft Windows Server Datacenter Edition - License and Software Assurance 2-Cores Enterprise Microsoft 9EA-00039	\$ 44.03	\$ 7,485.10
3	20	Microsoft Visual Studio Professional with MSDN - License and Software Assurance 1-User - Select EES - Win Microsoft - 77D-00110	\$ 62.21	\$ 1,244.20
4	18405	Microsoft 365 A3 Subscription License 1-User Hosted Academic Student EES Microsoft AAD-38397	\$ -	\$ -
5	400	Microsoft Windows Server Standard Edition - License and Software Assurance 2-Cores Enterprise Microsoft 9EM-00562	\$ 6.70	\$ 2,680.00
6	250	Microsoft Windows Virtual Desktop Access Subscription License 1-Device Microsoft 4ZF-00019	\$ 35.83	\$ 8,957.50
7	2123	Microsoft Exchange Online Advanced Threat Protection - Subscription License - 1 User - Hosted - Academic, Faculty - Campus, School, EES Microsoft W76-00001	\$ 16.00	\$ 33,968.00
8	18405	Microsoft Exchange Online Advanced Threat Protection - Subscription License - 1 User - Hosted - Academic, Student Microsoft W76-00001	\$ -	\$ -
9	50	Microsoft Windows Remote Desktop Services - License & Software Assurance - 1 Device CAL - Academic - Campus School Enterprise Select Select Plus EES - Windows Microsoft 6VC-01251	\$ 9.00	\$ 450.00
<b>TOTAL AMOUNT</b>			\$ 174,139.86	

**SOUTH TEXAS COLLEGE**  
**8. FACILITY USAGE INTERLOCAL AGREEMENTS**

NAME			City of Edinburg - Edinburg Municipal Auditorium		City of McAllen - McAllen Performing Arts Center/ Convention Center		City of Mission - Mission Events Center	
ADDRESS			415 W University		801 Convention Ctr Blvd		200 N Shary Rd	
CITY/STATE/ZIP			Edinburg, TX 78539		McAllen, TX 78501		Mission, TX 78572	
PHONE			956-388-1896		956-681-3800		956-584-4321	
CONTACT			Magdiel Castle		Jessica Gonzalez		Fatima Garcia	
#	Qty	Description	Unit Price	Extension	Unit Price	Extension	Unit Price	Extension
1	1	Amistades Concert Series November 2019	\$ 800.00	\$ 800.00				
2	1	Amistades Concert Series January 2020	\$ 800.00	\$ 800.00				
3	1	Tradiciones 2020 February 2020 McAllen Performing Arts Center			\$ 6,624.00	\$ 6,624.00		
4	1	STC Folkloric & Contemporary Dance Competition 2020 March 2020 McAllen Convention Center			\$ 9,000.00	\$ 9,000.00		
5	1	STC Folkloric & Contemporary Dance Workshops July 2020					\$10,000.00	\$10,000.00
TOTAL AMOUNT			\$ 1,600.00		\$ 15,624.00		\$ 10,000.00	



**Review and Recommend Action to Revise Policy #5120: Investment Policy and Investment Strategy Statement**

Approval of Policy #5120: Investment Policy and Investment Strategy Statement will be requested at the October 29, 2019 Board meeting.

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

Justification – Revisions to Policy #5120: Investment Policy and Investment Strategy Statement were last approved and authorized on October 30, 2018. The administration brings the Investment Policy and Investment Strategy Statement to the Board of Trustees annually, as required.

Background – The College's Investment Policy and Investment Strategy Statement was submitted and reviewed by the Government Treasurers' Organization of Texas (GTOT). In May 2018, the College was awarded the Certificate of Distinction by the Government Treasurers' Organization of Texas (GTOT) for the Investment Policy. This Certificate is for a two-year period ending May 31, 2020.

Reviewers – The Investment Policy and the Investment Strategy Statement have been reviewed by staff and also by South Texas College's legal counsel, Valley View Consulting, LLC (Investment Advisor) and Carr, Riggs & Ingram, LLC (external auditors).

The current Investment Policy complies with the Public Funds Investment Act and requires no revisions.

Enclosed Documents – The Investment Policy and Investment Strategy Statement follows in the packet for the Committee's information and review.

Dr. Shirley A. Reed, President, and Mary Elizondo, Vice President for Finance and Administrative Services, will be present at the October 8, 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 October 29, 2019 Board meeting, the revisions to Policy #5120: Investment Policy and Investment Strategy Statement as presented and which supersedes any previously adopted Board Policy.

# MANUAL OF POLICY

<b>Title</b>	<b>Investment Policy</b>	<b>5120</b>
<b>Legal Authority</b>	<b>Approval of the Board of Trustees</b>	<b>Page 1 of 12</b>
<b>Date Approved by Board</b>	<b>As Amended by Board Minute Order Dated October 29, 2019</b>	

## PREFACE

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

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

Investments shall be made with the primary objectives of:

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

## I. PURPOSE

### A. Formal Adoption

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

### B. Scope

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

This Policy establishes guidelines for:

- 1) Designation of Investment Officers and Investment Committee to invest South Texas College funds,
- 2) Authorized investments, and
- 3) Review and oversight of investments.

In addition to this Policy, bond funds (as defined by the Internal Revenue Service) shall be managed in accordance with their issuing documentation and all applicable State and Federal Laws.

All investments made with South Texas College (hereinafter “South Texas College” or the “College”) funds prior to the adoption of this Investment Policy shall be held or liquidated as determined by the Investment

# MANUAL OF POLICY

<b>Title</b>	<b>Investment Policy</b>	<b>5120</b>
<b>Legal Authority</b>	<b>Approval of the Board of Trustees</b>	<b>Page 2 of 12</b>

Committee (defined hereinafter in Section III.G.1 of the Policy) to be in the best interest of the financial well-being of South Texas College.

## **C. Review and Amendment**

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

## **D. Investment Strategy**

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

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

## **II. INVESTMENT OBJECTIVES**

### **A. Safety of Principal**

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

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

- **Credit Risk:** In accordance with State law and the College's Investment Policy, the College limits its exposure to credit risk (the risk that the issuer of a debt security will not pay its pay value upon maturity) by limiting its investments to only those authorized in Section III.A in accordance with the PFIA. In Section III.E.1, the College's Investment Policy seeks to further minimize its concentration of credit risk by establishing maximum investment percentages of classes of securities and a diversification strategy for the total College portfolio.
- **Interest Rate Risk:** In accordance with its Investment Policy, the College limits its exposure to interest rate risk by investing in securities whose maturities will not exceed the anticipated cash flow requirements for the funds. College policy states that investments of all fund types, except for Unexpended Plant Funds and Funds for Retirement of Indebtedness, are limited to a weighted average maturity of 365 days for all investments, with a maximum allowable maturity of two years for any investment type. The investment maturities of Unexpended Plant Funds and of Funds for Retirement of Indebtedness are generally limited to the anticipated cash flow requirements of the funds.

# MANUAL OF POLICY

<b>Title</b>	<b>Investment Policy</b>	<b>5120</b>
<b>Legal Authority</b>	<b>Approval of the Board of Trustees</b>	<b>Page 3 of 12</b>

## **B. Maintenance of Adequate Liquidity**

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

## **C. Market Rate of Return (Yield)**

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

## **III. INVESTMENT POLICIES**

### **A. Authorized Investments**

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

- 1) Obligations, including letters of credit, of the United States or its agencies and instrumentalities, including the Federal Home Loan Banks.
- 2) Direct obligations of the State of Texas, or its agencies and instrumentalities.
- 3) Other obligations, the principal and interest on which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, the State of Texas or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States.
- 4) Obligations of states, agencies, counties, cities, and other political subdivisions of any State rated as to investment quality by a nationally recognized investment rating firm not less than "A" or its equivalent. The College will take all prudent measures that are consistent with its Investment Policy to liquidate an investment that does not have the minimum rating.
- 5) Financial institution deposits issued by a depository institution that has its main office or branch in Texas and is:
  - a) guaranteed or insured by the Federal Deposit Insurance Corporation (FDIC) or its successors or the National Credit Union Share Insurance Fund or its successor;
  - b) secured by obligations that are described by the Public Funds Collateral Act (Chapter 2257, Texas Government Code), including mortgage backed securities directly issued by a federal agency or instrumentality that have a market value of not less than 102% of the principal amount plus accrued interest of the deposit less the applicable level of FDIC insurance, or by Letters of Credit issued by the Federal Home Loan Bank with a value of 100% of the principal amount plus accrued interest of the deposit less the applicable level of FDIC insurance; or
  - c) secured in any other manner and amount provided by law for deposits of the College.
  - d) Issued in a manner consistent with the Act that distributes the deposit among multiple financial institutions to effectively provide FDIC insurance for the entire deposit;

## MANUAL OF POLICY

<b>Title</b>	<b>Investment Policy</b>	<b>5120</b>
<b>Legal Authority</b>	<b>Approval of the Board of Trustees</b>	<b>Page 4 of 12</b>

- e) governed by a Depository Agreement, as described in E.4 of this section, that complies with Federal and State Regulation; and
  - f) solicited for bid orally, in writing, electronically, or any combination of those methods, unless acquired exclusively from the South Texas College depository.
- 6) No-load government money market mutual funds registered with and regulated by the Securities and Exchange Commission whose investment objectives seek to maintain a stable \$1.0000 net asset value and that comply with the requirements of State law.
- 7) Eligible investment pools organized and operating in compliance with the Public Funds Investment Act that have been authorized by the Board of Trustees by rule, order, ordinance, or resolution and whose investment philosophy and strategy is consistent with this Policy and South Texas College's ongoing investment strategy. A public funds investment pool must be continuously rated no lower than AAA or AAA-m or at an equivalent rating by at least one nationally recognized rating service.

To the extent the bonds or other obligations of the College or a municipal bond insurance policy further limits the types of investments the College makes with funds pledged to the payment of those bonds or obligations, the provisions thereof shall govern.

The College will maintain procedures to monitor rating changes in investments acquired with public funds and to address the liquidation of investments that fall below the required rating consistent with the provisions of Section III.D.

### **B. Existing Investments**

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

### **C. Prohibited Investment**

In accordance with Texas state law, the following are not authorized investments:

- 1) Obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal;
- 2) Obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest;
- 3) Collateralized mortgage obligations that have a stated final maturity date of greater than 10 years; and
- 4) Collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

### **D. Credit Rating Review and Effect of Loss of Required Rating**

The College will seek to control the risk of loss due to failure of an investment issuer by monitoring the ratings of portfolio positions to ensure compliance with the rating requirements imposed by the Public Funds Investment Act. Not less than quarterly, the Investment Officers will obtain, from a reliable source, the current credit rating for each held investment that has a PFIA-required minimum rating. Any authorized investment that requires a minimum rating does not qualify during the period the investment does not have the minimum rating. All prudent measures will be taken to liquidate an investment that is downgraded to less than the required minimum rating.

## MANUAL OF POLICY

<b>Title</b>	<b>Investment Policy</b>	<b>5120</b>
<b>Legal Authority</b>	<b>Approval of the Board of Trustees</b>	<b>Page 5 of 12</b>

### **E. Protection of Principal**

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

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

#### **1. Diversification by Investment Type**

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

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

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

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

#### **2. Diversification by Investment Maturity**

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

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

The weighted average days to maturity for the portfolio of these funds shall be less than 365 days and the maximum allowable maturity shall be two years for any investment type.

##### **b) Unexpended Plant Funds**

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

# MANUAL OF POLICY

<b>Title</b>	<b>Investment Policy</b>	<b>5120</b>
<b>Legal Authority</b>	<b>Approval of the Board of Trustees</b>	<b>Page 6 of 12</b>

yield. After the expiration of the Temporary Period, bond proceeds subject to yield restriction shall be invested consistent with the yield restrictions under the U.S. Tax Code and the regulations thereunder.

The weighted average days to maturity for the Unexpended Plant Funds not allocable to a bond issue shall be less than 365 days and the maximum allowable maturity shall be two years for any investment type.

## **c) Funds for Retirement of Indebtedness**

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

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

## **3. South Texas College Liquidity**

Liquidity shall be achieved by investing in securities with active secondary markets and by maintaining minimum balances in financial institution deposits, eligible money market mutual funds and eligible investment pools.

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

## **4. Depository Agreements**

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

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

- the Agreement must be in writing;
- the Agreement has to be executed by the Depository and South Texas College contemporaneously with the acquisition of the asset;
- the Agreement must be executed in compliance with the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA) and approved by the Board of Directors or the loan committee of the Depository and a copy of the meeting minutes must be delivered to South Texas College;
- the Agreement must be part of the Depository's "official record" continuously since its execution; and

## MANUAL OF POLICY

<b>Title</b>	<b>Investment Policy</b>	<b>5120</b>
<b>Legal Authority</b>	<b>Approval of the Board of Trustees</b>	<b>Page 7 of 12</b>

- the Agreement states the securities and collateral will be held in South Texas College's name as evidenced by safekeeping receipts of the institution with which the securities are deposited.

### a) Allowable Collateral

Eligible securities for collateralization of deposits are defined by the Public Funds Collateral Act, Chapter 2257, Texas Government Code, as amended, and those that meet the constraints of this Policy.

### b) Collateral Levels

The market value of the principal portion of securities that are pledged as collateral must at all times be equal to or greater than 102%, or 100% for Letters of Credit issued by a Federal Home Loan Bank, of par value of the time and demand deposits plus accrued interest, less the applicable level of FDIC insurance.

### c) Monitoring Collateral Adequacy

South Texas College shall require monthly reports with market values of pledged securities from all financial institutions with which South Texas College has collateralized deposits. The bank shall be responsible and liable for monitoring and maintaining the collateral and collateral margins on a daily basis and for reporting these activities monthly. The Investment Officers will monitor adequacy of collateralization levels to verify market values and total collateral positions.

### d) Additional Collateral

If the market value of the securities pledged as collateral for a deposit falls below 102%, or 100% for Letters of Credit issued by a Federal Home Loan Bank, of par value of time and demand deposits plus accrued interest, less the applicable level of FDIC insurance, the institution holding the deposit will be notified by the Investment Officers and will be required to pledge additional allowable collateral as defined above no later than the end of the next succeeding business day.

### e) Security Substitution

Collateralized deposits often require substitution of securities. Any financial institution requesting substitution must contact the Investment Officers for approval and settlement. The substituted security's value will be calculated and substitution approved if the substitution maintains a pledged value equal to or greater than the required security level. An Investment Officer must provide written notification of the decision to the bank or the safekeeping agent holding the security prior to any security release. Substitution is allowable for all transactions, but should be limited, if possible, to minimize potential administrative problems and transfer expense. The Investment Officers may limit substitution and assess appropriate fees if substitution becomes excessive or abusive.

## 5. Safekeeping

### a) Safekeeping Agreement

South Texas College shall contract with a bank or banks for the safekeeping and custody of securities either owned by South Texas College as a part of its investment portfolio or as part of its depository agreements or held as collateral to secure time and demand deposits. Securities and collateral will be held in South



## MANUAL OF POLICY

<b>Title</b>	<b>Investment Policy</b>	<b>5120</b>
<b>Legal Authority</b>	<b>Approval of the Board of Trustees</b>	<b>Page 8 of 12</b>

Texas College's name as evidenced by safekeeping receipts of the institution with which the securities are deposited.

### b) Safekeeping of Deposit Collateral

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

## 6. Competitive Bidding

The College will require at least three competitive offers or bids for all individual security purchases and sales (excluding those transactions with financial institution deposits, eligible money market mutual funds, and eligible investment pools (Section III.A) and require any investment advisor to do the same. Rather than relying solely on yield, investments in financial institution deposits, eligible money market mutual funds, and eligible investment pools shall be based on criteria determined by the Investment Officers.

## F. Investment Advisors and Investment Providers

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

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

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

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

Business organizations eligible to transact investment business with South Texas College shall be presented a written copy of this Investment Policy. Local Government Investment Pools and discretionary investment management firms seeking to transact investment business shall execute a written instrument substantially to the effect that the qualified representative has:

- 1) received and thoroughly reviewed this Investment Policy, and
- 2) acknowledged that the organization has implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between South Texas College and the organization that are not authorized by the College's Investment Policy, except to the extent that

## MANUAL OF POLICY

<b>Title</b>	<b>Investment Policy</b>	<b>5120</b>
<b>Legal Authority</b>	<b>Approval of the Board of Trustees</b>	<b>Page 9 of 12</b>

this authorization is dependent on an analysis of the makeup of the College's entire portfolio or requires an interpretation of subjective investment standards, or relates to investment transactions that are not made through accounts or other contractual arrangements over which the business organization has accepted discretionary investment authority .

South Texas College shall not enter into an investment transaction with a Local Government Investment Pool or discretionary investment advisor prior to receiving the written instrument described above.

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

### **G. Responsibility and Controls**

#### **1. Authority to Invest**

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

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

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

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

To ensure qualified and capable investment management, the Investment Officers shall attend an investment training session not less than once each state fiscal biennium, and receive not less than 10 hours of instruction relating to investment responsibilities that addresses investment controls, security risks, strategy risks, market risks, diversification of investment portfolio and compliance with the Public Funds Investment Act. The investment training session shall be provided by the following approved training sources: the Texas Higher Education Coordinating Board, the Government Finance Officers Association of Texas, the Government Treasurers Organization of Texas, the Texas Municipal League, or the University of North Texas Center for Public Management.

# MANUAL OF POLICY

<b>Title</b>	<b>Investment Policy</b>	<b>5120</b>
<b>Legal Authority</b>	<b>Approval of the Board of Trustees</b>	<b>Page 10 of 12</b>

## **2. Prudent Investment Management**

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

## **3. Standard of Care**

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

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

## **4. Standard of Ethics and Conflicts of Interest**

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

- a) the Investment Officer owns 10 percent or more of the voting stock or shares of the business organization or owns \$5,000 or more of the fair market value of the business organization;
- b) funds received by the Investment Officer from the business organization exceed 10 percent of the Investment Officer’s gross income for the previous year; or
- c) the Investment Officer has acquired from the business organization during the previous year investments with a book value of \$2,500 or more for the personal account of the Investment Officer.

## **5. Establishment of Internal Controls**

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

# MANUAL OF POLICY

<b>Title</b>	<b>Investment Policy</b>	<b>5120</b>
<b>Legal Authority</b>	<b>Approval of the Board of Trustees</b>	<b>Page 11 of 12</b>

South Texas College, in conjunction with its annual financial audit, shall perform a compliance audit of management controls on investments and adherence to South Texas College's Investment Policy and Investment Strategy Statement. The annual compliance audit performed by the College's independent auditor shall include a review of all quarterly reports.

## **6. Reporting**

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

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

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

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

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

Investment transactions will be settled on a delivery versus payment (DVP) basis with the exception of financial institution deposits, investment pool funds and mutual funds.

## **9. Review by Independent Auditor**

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

If the College invests in other than money market mutual funds, investment pools or accounts offered by its depository bank in the form of certificates of deposit, or money market accounts or similar accounts, the

## MANUAL OF POLICY

<b>Title</b>	<b>Investment Policy</b>	<b>5120</b>
<b>Legal Authority</b>	<b>Approval of the Board of Trustees</b>	<b>Page 12 of 12</b>

reports prepared by the investment officers must be formally reviewed at least annually by an independent auditor, and the result of the review shall be reported to the Board of Trustees by the auditor.

### 10. Investment Policy Adoption

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

### IV. HISTORY

Origination Date Approved by Board	October 12, 1995
Date Amended and Approved by Board	August 8, 1996 December 11, 1997 October 15, 1998 October 17, 2002 October 16, 2003 October 21, 2004 November 17, 2005 October 19, 2006 February 15, 2007 October 18, 2007 October 13, 2008 June 25, 2009 November 23, 2009 October 25, 2010 October 27, 2011 October 30, 2012 October 28, 2013 October 28, 2014 October 27, 2015 October 25, 2016 October 24, 2017 October 30, 2018 October 29, 2019

# INVESTMENT STRATEGY STATEMENT

## PAGE 1

### PREFACE

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

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

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

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

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

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

### INVESTMENT STRATEGY

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

#### A. Funds

South Texas College's funds include:

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

# INVESTMENT STRATEGY STATEMENT

## PAGE 2

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

**Suitability:** Any investment eligible in the Investment Policy is suitable for all fund types.

**Safety of Principal:** All investments shall be of high quality with no perceived default risk. Market price fluctuations will occur, however by managing the weighted average days to maturity for all fund types, except for Unexpended Plant Funds and Funds for Retirement of Indebtedness, to less than 365 days for all investments and restricting the maximum allowable maturity to two years for any investment type, the price volatility of the overall portfolio will be minimized. Unexpended Plant Funds investments should be as per Section III.E.2.b and Funds for Retirement of Indebtedness investments should be as per Section III.E.2.c.

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

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

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

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

**Review and Recommend Action to Revise Policy #5220: Contractors: Consultant Services, Professional Services and Honoraria**

Approval to revise Policy #5220: Contractors: Consultant Services, Professional Services and Honoraria, will be requested at the October 29, 2019 Board meeting.

Purpose – The proposed policy revisions update the current policy, which was last revised by the Board in 1995.

Justification – The request for the revisions to the policy is necessary for the following reasons:

- To demonstrate compliance with:
  - ⇒ **Texas Education Code Section 130.089, Prohibited Employment of or Contracting With Former Trustees**, which states: “A public junior college may not employ or contract with an individual who was a member of the board of trustees of the junior college before the first anniversary of the date the individual ceased to be a member of the board of trustees.”
  - ⇒ **SACSCOC Principles of Accreditation Standard 4.1 (c)**, which requires, in part, that the presiding officer of the board and a majority of other voting board members are free of contractual and employment interest in the organization.

Background – Policy #5220: Contractors: Consultant Services, Professional Services and Honoraria, was approved by the Board of Trustees on November 9, 1995.

Reviewers – The revised policy has been reviewed by staff, the President’s Cabinet, President’s Administrative Staff, and/or by South Texas College legal counsel, Mr. Jesus Ramirez.

Enclosed Documents - The revised policy follows in the packet for the Committee’s review and information.

The additions to the policy are highlighted in yellow and the deletions are designated with a red strikeout.

It is requested that the Finance, Audit, and Human Resources Committee recommend for Board approval, at the October 29, 2019 Board meeting, Policy #5220: Contractors: Consultant Services, Professional Services and Honoraria, as presented and which supersedes any previously adopted Board policy.



## MANUAL OF POLICY

**Title** **Contractors: Consultant Services, Professional Services and Honoraria** **5220**

**Legal Authority** **Approval of the Board of Trustees**

**Date Approved by Board** **Board Minute Order dated November 9, 1995**  
**As Amended by Board Minute Order Dated October 29, 2019**

Consultant services and professional services greater than \$5,000 require advance approval, in writing, by the College President. Honoraria in any amount require advance approval, in writing, by the College President.

Individuals, groups, or firms providing services to the College under a consultant service or professional services contract cannot begin work before a written agreement is fully executed.

**Consultant Services** are defined as services provided by persons or firms that perform a task(s) for which they have special expertise or background which results in a finished or written evaluation.

**Professional Services** are defined as services provided by individuals or firms with highly specialized technical skills which the College does not have available through internal personnel sources. Professional services are those generally provided by architects, attorneys, and auditors.

**Honoraria** are provided to individuals or groups who conduct work that directly supports the College's instructional programs. These funds would generally be available for guest lecturers, guest speakers, and/or artistic performances.

Grant contractors shall not be paid at a higher rate than College contractors with a similar assignment.

Employees of the College cannot be engaged as contractors.

A member of the Board of Trustees may not be employed or engaged as a contractor of the College before the first anniversary of the date the member ceased to be on the Board of Trustees.

~~Strikethrough denotes deletion~~

*Italics denote addition*

**Review and Recommend Action to Revise Resolution 2020-004 Authorizing Investment Brokers, Dealers, Banks, and Investment Pools**

Approval to revise Resolution 2020-004 Authorizing Investment Brokers, Dealers, Banks, and Investment Pools will be requested at the October 29, 2019 Board meeting.

Purpose – Green Bank, Inter National Bank and Wallis State Bank are authorized banks that may engage in investment transactions with the college. The names for these banks have changed. Green Bank is now Veritex Bank, Inter National Bank is now Vantage Bank and Wallis State Bank is now Wallis Bank. The name changes and three additional banks, Bank OZK, Bank of South Texas, and BOK Financial are being recommended to be added to the approved bank list. The Texas Public Funds Investment Act (PFIA) requires that the Board of Trustees approve any broker and dealer firms that will be used to transact investment business with the College. In addition, the College's Investment Policy requires that the Board of Trustees approve any banks and investment pools that will be used to transact investment business with the College. As per Policy #5120: *Investment Policy* and Investment Strategy Statement and in accordance with the PFIA, the Board of Trustees shall at least annually, review, revise, and adopt a list of qualified Investment Providers.

Justification – The Resolution Authorizing Investment Brokers, Dealer, Banks, and Investment Pools was approved and authorized on August 28, 2018, as amended. A revised list of brokers, dealers, banks and investment pools, which contains the name changes for Green Bank, Inter National Bank and Wallis Bank and the three additional banks, Bank OZK, Bank of South Texas, and BOK Financial is included on Exhibit "A".

Background – The Board adopted specific limitations on banks that could be used for College deposits with the adoption of Resolution Authorizing Investment Brokers, Dealers, Banks, and Investment Pools on August 28, 2018, as amended. Valley View Consulting, LLC, the investment advisor under contract with the College, has identified Veritex Bank, Vantage Bank, Wallis Bank, Bank OZK, Bank of South Texas, and BOK Financial and their offerings to be favorable to the College.

Reviewers – The Resolution was reviewed by Valley View Consulting, LLC (Investment Advisor) and was previously reviewed by South Texas College's legal counsel. No changes are being presented except the name changes for Green Bank, Inter National Bank and Wallis Bank and the three additional banks Bank OZK, Bank of South Texas, and BOK Financial.

Enclosed Documents – The revised Resolution Authorizing Investment Brokers, Dealers, Banks, and Investment Pools follows in the packet for the Committee's information and review.

Dr. Shirley A. Reed, President, and Mary Elizondo, Vice President for Finance and Administrative Services, will be present at the October 8, 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 October 29, 2019 Board meeting, Resolution 2020-004 Authorizing Investment Brokers, Dealers, Banks, and Investment Pools as presented, and which supersedes any previously adopted Board Resolution.

## **Resolution No. 2020-004**

**A RESOLUTION BY THE SOUTH TEXAS COLLEGE RELATING TO THE COLLEGE'S ADOPTION AND ANNUAL REVIEW OF ITS LIST OF AUTHORIZED BROKER/DEALERS/BANKS/INVESTMENT POOLS AND AMENDING SUCH BROKER/DEALER/BANK/INVESTMENT POOL LIST AS REQUIRED BY BOARD POLICY AND STATE LAW; AND AUTHORIZING OTHER MATTERS INCIDENT AND RELATED THERETO.**

WHEREAS, the Board of Trustees (the "Board") of the South Texas College (the "College") has adopted a written Investment Policy which primarily emphasizes safety of principal and liquidity and addresses investment diversification, yield, and maturity and the quality and capability of investment management provisions in accordance with the Public Funds Investment Act, Texas Government Code Chapter 2256, Subchapter A, as amended, (the *Act*); and

WHEREAS, the Board must annually review the list of authorized broker/dealers/banks/investment pools that are authorized to engage in investment transactions with the College and adopt a written instrument stating that it has reviewed such list of authorized broker/dealers/banks/investment pools; and

WHEREAS, a written copy of the College's Investment Policy must be presented to any person offering to engage in an investment transaction with an investment entity or to an investment management firm under contract with an investing entity to invest or manage the entity's investment portfolio; and

WHEREAS, the authorized representatives of a business organization offering to engage in an investment transaction with the College must provide a written acknowledgement that the business organization has received the College's Investment Policy; now, therefore,

**BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE SOUTH TEXAS COLLEGE THAT:**

SECTION 1: The Board has reviewed list of authorized broker/dealers/banks/investment pools authorized to engage in investment transactions with the College (Exhibit "A" attached hereto), and the Board further wishes to memorialize this review by the adoption of this Resolution.

SECTION 2: Prospective authorized broker/dealers/banks/investment pools will be provided with written copies of the College's Investment Policy and such authorized representatives will provide written acknowledgments of receipt of the College's Investment Policy.

SECTION 3: This Resolution may be relied upon by all appropriate government officials and others interested in this Resolution and establishes the College's compliance with the requirements of the Act and the College's Investment Policy.

SECTION 4: The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Resolution for all purposes and are adopted as a part of the judgment and findings of the Board.

SECTION 5: All ordinances and resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Resolution are hereby repealed to the extent of such conflict, and the provisions of this Resolution shall be and remain controlling as to the matters resolved herein.

SECTION 6: This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

SECTION 7: If any provision of this Resolution or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Resolution and the application of such provision to other persons and circumstances shall nevertheless be valid, and the Board hereby declares that this Resolution would have been enacted without such invalid provision.

SECTION 8: It is officially found, determined, and declared that the meeting at which this Resolution is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Resolution, was given, all as required by Chapter 551, as amended, Texas Government Code.

PASSED AND APPROVED this the \_\_\_\_ day of \_\_\_\_\_, 2019.

SOUTH TEXAS COLLEGE

\_\_\_\_\_  
President, Board of Trustees

ATTEST:

\_\_\_\_\_  
Secretary, Board of Trustees

(COLLEGE SEAL)

## **Exhibit “A”**

### List of Authorized Broker/Dealers:

FTN Securities  
Duncan Williams  
Multi-Bank Securities  
Raymond James  
Rice Financial  
Wells Fargo Securities

### List of Authorized Banks:

BBVA Compass  
Bank of Texas  
Bank OZK  
Bank of South Texas  
BTH Bank  
BOK Financial  
Capital One Bank  
Comerica Bank  
East West Bank  
Falcon Bank  
First Community Bank  
Frost Bank  
Greater South Texas Bank  
Veritex Bank  
Independent Bank  
International Bank of Commerce  
Vantage Bank  
JPMorgan Chase  
LegacyTexas Bank  
Lone Star National Bank  
NexBank  
PlainsCapital Bank  
Prosperity Bank  
Rio Bank  
Southwest Bank  
Southside Bank  
Texas Regional Bank  
Wallis Bank  
Wells Fargo Bank

### List of Authorized Investment Pools:

TexPool  
TexStar

**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 October 2, 2019, Mr. Jesus Ramirez, South Texas College's Legal Counsel, held a conference call with Mary Elizondo, Vice President for Finance and Administrative Services, and Myriam Lopez, Comptroller, to discuss the terms of the proposed agreement with Terra-Gen Development Company, LLC.

It is requested that the Finance, Audit, and Human Resources committee recommend for Board approval at the October 29, 2019 Board meeting, to take action as necessary regarding the Terra-Gen Development Company, LLC, Tax Abatement if needed.

*The following document  
was provided as a  
handout at the meeting.*



## **Review and Recommend Action to Revise Resolution 2020-004 Authorizing Investment Brokers, Dealers, Banks, and Investment Pools**

Approval to revise Resolution 2020-004 Authorizing Investment Brokers, Dealers, Banks, and Investment Pools will be requested at the October 29, 2019 Board meeting.

Purpose – Green Bank, Inter National Bank and Wallis State Bank are authorized banks that may engage in investment transactions with the college. The names for these banks have changed. Green Bank is now Veritex Bank, Inter National Bank is now Vantage Bank and Wallis State Bank is now Wallis Bank. In addition, Coastal Securities, an authorized broker/dealer, changed its name to FTN Securities. The name changes, ~~and~~ three additional banks, Bank OZK, Bank of South Texas, and BOK Financial, and one broker/dealer, Multi-Bank Securities, are being recommended to be added to the approved bank list. The Texas Public Funds Investment Act (PFIA) requires that the Board of Trustees approve any broker and dealer firms that will be used to transact investment business with the College. In addition, the College's Investment Policy requires that the Board of Trustees approve any banks and investment pools that will be used to transact investment business with the College. As per Policy #5120: *Investment Policy* and Investment Strategy Statement and in accordance with the PFIA, the Board of Trustees shall at least annually, review, revise, and adopt a list of qualified Investment Providers.

Justification – The Resolution Authorizing Investment Brokers, Dealer, Banks, and Investment Pools was approved and authorized on August 28, 2018, as amended. A revised list of brokers, dealers, banks and investment pools, which contains the name changes for Green Bank, Inter National Bank, ~~and~~ Wallis State Bank, and Coastal Securities, ~~and the~~ three additional banks, Bank OZK, Bank of South Texas, and BOK Financial, and one additional new broker/dealer Multi-Bank Securities, is included on Exhibit "A".

Background – The Board adopted specific limitations on banks that could be used for College deposits with the adoption of Resolution Authorizing Investment Brokers, Dealers, Banks, and Investment Pools on August 28, 2018, as amended. Valley View Consulting, LLC, the investment advisor under contract with the College, has identified Veritex Bank, Vantage Bank, Wallis State Bank, Bank OZK, Bank of South Texas, BOK Financial, FTN Securities and Multi-Bank Securities and their offerings to be favorable to the College.

Reviewers – The Resolution was reviewed by Valley View Consulting, LLC (Investment Advisor) and was previously reviewed by South Texas College's legal counsel. No changes are being presented except the name changes for Green Bank, Inter National Bank, ~~and~~ Wallis State Bank, and Coastal Securities, and the three additional banks Bank OZK, Bank of South Texas, and BOK Financial and one additional broker/dealer Multi-Bank Securities.

Enclosed Documents – The revised Resolution Authorizing Investment Brokers, Dealers, Banks, and Investment Pools follows in the packet for the Committee's information and review.

Dr. Shirley A. Reed, President, and Mary Elizondo, Vice President for Finance and Administrative Services, will be present at the October 8, 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 October 29, 2019 Board meeting, Resolution 2020-004 Authorizing Investment Brokers, Dealers, Banks, and Investment Pools as presented, and which supersedes any previously adopted Board Resolution.