

**SPECIAL MEETING  
OF THE BOARD OF TRUSTEES  
HOUSTON COMMUNITY COLLEGE**

**June 14, 2014**

**Minutes**

The Board of Trustees of Houston Community College held a Special Meeting on Saturday, June 14, 2014, at the HCC Administration Building, 2<sup>nd</sup> Floor, 3100 Main in Seminar Room B, Houston, Texas.

**MEMBERS PRESENT**

Neeta Sane, *Chair*  
Christopher W. Oliver, *Vice Chair*  
Robert Glaser, Secretary  
Zeph Capo  
Eva Loredo  
Sandie Mullins  
Carroll G. Robinson  
Adriana Tamez  
David B. Wilson

**ADMINISTRATION**

Cesar Maldonado, Chancellor  
Shantay Grays, Chief of Staff  
Thomas Estes, Vice Chancellor, Special Projects and Bond Program  
Teri Zamora, Vice Chancellor, Finance and Planning  
Margaret Ford Fisher, President, Northeast College

**OTHERS PRESENT**

Derrick Mitchell, Board Counsel, Bracewell & Giuliani  
Vidal Martinez, Special Counsel, Martinez Partners LLP  
Michelle Novak, President, Faculty Senate  
Ava Cosey, President, COPA  
Marvin Daniels, Program Manager, Jacobs  
Other administrators, citizens and representatives from the news media

**CALL TO ORDER**

Mrs. Sane, Chair, called the meeting to order at 9:11 a.m. and declared the Board convened to consider matters pertaining to Houston Community College as listed on the duly posted Meeting Notice.

*(The following Trustees were present: Capo, Glaser, Loredo, Mullins, Robinson, Sane, and Wilson)*

**ADJOURNED TO CLOSED SESSION**

Mrs. Sane adjourned the meeting to Executive Session at 9:12 a.m. notice having previously been given and reiterated in accordance with Sections 551.071, 551.072, and/or 551.074 of the Open Meetings Law. Mrs. Sane stated that any final action, vote or decision on any item discussed in Executive Session would be taken up in Open Session or in a subsequent Public Meeting.

Mrs. Sane reconvened the meeting in Open Session at 2:54 p.m. and entertained any motions on pending matters.

*(The following Trustees were present: Capo, Glaser, Loredo, Mullins, Oliver, Robinson, Sane, Tamez and Wilson)*

**APPROVE RESOLUTION IN RECOGNITION OF THE 95<sup>TH</sup> BIRTHDAY SALUTE TO MR. JOHNNIE MARINO**

Motion – Dr. Tamez moved and Mr. Glaser seconded.

Ms. Loredo noted that Mr. Marino will be honored for his 95<sup>th</sup> birthday by the veterans organization. She informed that two additional World War II veterans will also be honored on June 24, 2014.

Vote - The motion passed with vote of 9-0.

**UPDATE ON BOND CAPITAL IMPROVEMENT PLAN (CIP)**

Dr. Cesar Maldonado apprised that the presentation will provide an update on the CIP to include a review of the procurement procedure and process, an overview of the rankings and evaluation criteria, as well as an analysis in the variance of the scoring. He noted that an internal statistician completed the work. Dr. Maldonado informed that Mr. Rogelio Anasagasti would present the overview regarding the RFP 14-04.

Mr. Anasagasti complimented Dr. Maldonado regarding the amount of information provided in the content of the presentation and apprised that such detail is unprecedented since he has been with the college. He outlined the procurement process to include the following:

- Workflow
- Evaluation Process and Criteria
- Evaluation Committee
- Statistical Analysis
- Small Business Practice
- Quality and Performance
- Recommendation for Process Review

Mr. Anasagasti noted that the evaluation criterion is broken down into three categories: (1) qualitative based score – 55 points, (2) prescriptive based score – 20 points, and (3) quantitative based score – 25 points.

Houston Community College  
Special Meeting – June 14, 2014 - Page 3

Mr. Oliver inquired as to how the evaluation process was developed. He recommended reviewing other intuitions' processes. Mr. Oliver informed that the current process seems subjective. Mr. Anasagasti apprised that the process utilized is consistent with industry best practices.

*(Ms. Mullins stepped out at 3:09 p.m.)*

Mr. Wilson noted that his understanding is that the procurement was set-up in accordance with the government code chapter 2269 and informed that there are eight criteria to be considered. Mr. Anasagasti apprised that statute provides the framework of what criteria needs to be used.

*(Ms. Mullins returned at 3:12 p.m.)*

Mr. Wilson noted that it appears that criteria two (firms' qualification and project experience) was utilized twice. He informed that his problem regarding best value is that it is subjective and relative. Mr. Wilson apprised that this leads to the possibility of arbitrary and caprice, which leads to manipulation. Mr. Wilson recommended that the remaining projects be hard bid/low price.

Mr. Oliver associated with Mr. Wilson and noted that it appears that the best value explanation is the issue. He informed that if there was some form of consistency, it would possibly be easier to understand. Mr. Oliver apprised that maybe it would not be a bad idea to use low bid even though the job is not always a guarantee.

Mr. Anasagasti noted that it may appear that there is inconsistency; however, actually there is great consistency. He informed that qualification and experience of the company and its staff have always been high on the list of criteria and apprised that the firms' financials have been used since 2012.

Mr. Robinson noted that six projects have been approved and it has been rumored that Tellepsan Builders, L.P. (Tellepsan) declined a project. Mr. Anasagasti informed that no project has been declined.

Mr. Robinson inquired if the sealed price was equal to, above or below the guaranteed maximum price (GMP). Mr. Anasagasti apprised that the bid includes pre-construction and fee percentage and noted that the GMP comes later down the road.

*(Mr. Oliver stepped out at 3:23 p.m.)*

Mr. Robinson asked if there is a cap with expenditures to be no more than the sealed price. Mr. Anasagasti informed that the objective is to stay below the sealed price; however, the only fixed numbers are the pre-construction and percentages and apprised that the goal is for the GMP to be at or below the sealed bid.

Mr. Robinson noted that 25 points were given for the sealed bid. Mr. Marvin Daniels informed that the effort is to lock in cost of general conditions and the percentage against

Houston Community College  
Special Meeting – June 14, 2014 - Page 4

the cost of the work. He apprised that the other number secured is a lump sum number for pre-construction services.

Mr. Robinson noted that his request is simple; convert the points for sealed bid into a dollar amount. He informed that if the GMP exceeds that then it is a bad thing. Mr. Daniels apprised that everyone had a project budget.

Mr. Robinson noted that the effort is to convert the twenty-five points awarded for the sealed bid to a number and compare to the GMP.

Mr. Robinson inquired if there was a group meeting of the evaluation committee. He informed that there was a discussion held at the Finance Sub-committee meeting on November 14, 2012 and apprised that the minutes state that there would be a group discussion and there would be a camera in the room to record the evaluation. He requested the camera footage.

Mr. Robinson noted that the Board was told that the solicitation included a legal requirement that all fourteen projects had to be voted on at one time. He asked if this requirement was included in the solicitation documents.

Mr. Robinson informed that the minutes stated that the process and review process would be published and the individuals serving on the evaluation committees would be required to complete training.

Dr. Maldonado apprised that administration reviewed the request for proposal (RFP) and noted that the solicitation did not include the requirement to approve all projects at one time.

Mr. Robinson informed that Dallas Community Independent School District provides a list of the scoring committee and the scoring materials to the Board and requested a new standard be established.

Mr. Capo apprised that there was some subjectivity and inquired as what are best practices guidelines to minimize subjectivity and what is done to ensure that the rubric matches. Dr. Maldonado noted that the actual elements are listed on the RFP and the subjectivity is only when each individual evaluator reviews the response provided for percentage of points to be awarded.

Mr. Anasagasti informed that the evaluators receive orientation regarding the scoring. Dr. Maldonado apprised that the uniformity of the evaluators' work is reviewed to determine if there was any skewedness. He noted that it was determined that there was no improper evaluation. Dr. Maldonado informed that all the evaluations appeared to fall within the normal range of each other.

*(Mr. Oliver returned at 3:32 p.m.)*

Mr. Capo inquired as how to move forward. He inquired of best practices regarding calibration of team members and inter-rater reliability. Dr. Maldonado noted that there is a

Houston Community College  
Special Meeting – June 14, 2014 - Page 5

recommendation from administration to formalize a committee to review the evaluation process. He informed that there is room for improvement regarding the training manual.

Ms. Mullins noted that change orders were discussed previously and informed that the response was that change orders would be approved by the Board. Dr. Maldonado inquired with Mr. Daniels as to the limit for change orders. Mr. Daniels apprised that the change order limit is \$50,000.

Ms. Loreda inquired of how many contracts have been executed of the six projects approved. Mr. Daniels noted that all six contracts have been awarded and that the contractors are working to provide cost for mobilization. He informed that trailers and temporary utilities would be initiated within the next 30-45 days.

*(Ms. Loreda stepped out at 3:41 p.m.)*

Mr. Oliver apprised that if best value is going to be utilized, then the format for comprising the evaluation committee needs to be changed. He noted that trade construction faculty could be used for the evaluation because they would be knowledgeable. Mr. Oliver apprised that the committee needs to consist of individuals who are experts in the area.

*(Ms. Loreda returned at 3:44 p.m.)*

Mr. Robinson inquired of the money spent to date on the bond projects. Dr. Maldonado noted that the amount is approximately \$70 million.

Mr. Robinson inquired of the amount for small business. Dr. Maldonado informed that the bulk of the spending has been on land acquisitions.

Mr. Daniels informed \$32.9 million was committed on the professional services. Mr. Robinson interrupted and informed that \$70 million has been spent and inquired how much has been spent on small businesses. Mr. Daniels apprised that \$3 million has been paid for professional services with \$11.9 million more contractually committed.

Mr. Robinson requested the information in writing with a break out of spending for the architects, project managers and program manager. He inquired of the number of internships or apprenticeship awarded to HCC students to date. Mr. Daniels noted that there are two so far.

Mr. Capo inquired taking into consideration the six projects the average time to turn dirt in comparison to projects of similar scope. Mr. Daniels informed that dirt turn is scheduled for September/October for four of the projects and the remaining two approved projects for November/December. Mr. Daniels apprised that this period is slightly above average.

Mr. Capo inquired as to how the marketing is done for the internship portion. Mr. Daniels noted that the \$70 million included land acquisition, bond fees and informed that the opportunity to engage internships still remains. He apprised that two out of the three firms have agreed to the internships for this year and the remaining firms will commit for next year.

Houston Community College  
Special Meeting – June 14, 2014 - Page 6

Mr. Daniels noted that the effort is for the contractor firms to own the apprenticeship due to the risk involved. He informed that the contractor has to control the apprenticeship to ensure accreditation and licensure.

Dr. Tamez apprised that she requested a written plan regarding how students will be engaged. She noted that there needs to be a plan in place and informed that having only two thus far is unacceptable. Mr. Daniels informed that the written plan exists and it will be provided to the Board. He noted that the plan reviewed areas that would allow for opportunities for HCC students. Mr. Daniels informed that a blast was sent out to the students regarding the opportunities.

Mr. Robinson apprised that he would like to see the number of resumes received, number of announcements sent out, and size of the pool to determine the rate of return.

Mr. Anasagasti continued with the presentation to include an overview of the evaluation committee.

Mr. Robinson inquired as to who picked the committee. Mr. Anasagasti noted that the Procurement Operations selects the committee.

Mr. Robinson noted that the small business program is not just about the bond program. He informed that HCC does not have a true small business program and apprised that part of the reason for asking the Board to support “Higher Local First” was because it would tie into the small business program. Mr. Robinson noted that he is committed to providing opportunities to all local small businesses.

Dr. Maldonado informed that page 49 references a proposal regarding the formation of a committee to review the procurement process and provide recommendations to the Board. He apprised that the committee will include representatives from small businesses, community and civic groups, HCC departments, and legal and will help formulate the legislative agenda for the forthcoming session.

*(Mr. Robinson stepped out at 4:11 p.m.)*

Mr. Capo noted that he has reviewed the Port of Houston’s and Metro’s small business programs. He informed that there needs to be a clear understanding where HCC is lacking regarding the small business. He apprised that if there are other suggestions to provide them to the Small Business Development Ad-hoc Committee.

Dr. Maldonado noted that Mr. Daniels would provide an overview regarding small business and quality control.

*(Mr. Robinson returned at 4:14 p.m.)*

Mr. Daniels announced that a small business forum will be held on July 11, 2014 at 8:00 a.m. at the West Loop campus. He informed that the effort is to monitor and demonstrate that what HCC described as the Small Business Enterprise (SBE) goal is accomplished. Mr. Daniels apprised that the project managers will work with the small business owners

Houston Community College  
Special Meeting – June 14, 2014 - Page 7

on the job sites monthly. He noted that the quality related issues will be measured and that the effort is to allow for growth.

Mr. Daniels informed that there will be a monthly report provided to the Board regarding the small business.

Mr. Robinson inquired if both Turner Construction Company (Turner) and Tellespen won every project for which they submitted a proposal except for one by Turner. Dr. Maldonado apprised if that is the case, it was based on the ranking of the criteria.

Mr. Robinson inquired if the safety plan was the same on every project. Dr. Maldonado noted that the safety plan for the RFP is not specific to any project, it is a generic safety plan used for construction projects, and once a project is awarded, the safety plan will be fine-tuned.

Mr. Anasagasti informed that Turner proposed eleven and was recommended for five projects. He noted that Tellespen responded to four projects.

Mr. Robinson inquired of the deviation. Mr. Anasagasti apprised that price and the teams are criteria factors that would be affected.

Mr. Robinson referred to the November 14, 2012 minutes and noted that there was a conversation regarding undue influence. He informed that undue influence is a problem either way and requested that there is an investigation of the following for which he believes are incidents of undue influence:

- Letters sent by professionals at HCC indicating that the Board had to approve actions items related to the bond or the IRS tax-exempt status of the institution would be at risk
- Two called public meetings of the Bond Oversight Committee for the purpose of having the Board explain themselves
- Letter sent by a former Trustee stating that the current Board was placing the tax exempt status at risk
- Lawyer representing a firm, which is currently working on an HCC project, informed a Trustee that the way he or she voted could be considered micro managing
- Individuals at the E40 level sent letters stating that the Board was holding up the projects

Mr. Anasagasti continued with the presentation that included a status of the following:

- Due diligence review of process – completed
- Evaluation committee assignment confidence – confirmed
- Independent statistical analysis of scores – completed

Houston Community College  
Special Meeting – June 14, 2014 - Page 8

- High confidence level that statistical outliers have merit – confirmed
- Robust SBE participation and quality control plan – confirmed
- Procurement process improvement review – recommended

Mrs. Sane expressed appreciation to the Board. She noted that each member should vote his or her conscious.

Dr. Tamez informed that the Chancellor was hired and given the charge to review the bond project. She asked Dr. Maldonado to provide his view of the process.

Dr. Maldonado apprised that the amount of effort put into the review was about 600 man hours. He informed that there is room for improvement but believes the process was not compromised. Dr. Maldonado noted that the outliers and justifications regarding the rankings were reviewed and informed that his opinion was that they are warranted.

Dr. Maldonado apprised that the reason for the grouping of the four projects presented today was due to the linkage of the coupled projects.

Dr. Maldonado noted that the review included attorneys, construction managers and procurement and informed that the documentation could have been presented better; however, there was no wrongdoing regarding the documentation. He apprised that this provides the reason for bringing forward the projects. Dr. Maldonado informed that in his opinion the evaluators received training and were qualified. He apprised that the issues presented have been addressed for future evaluations. Dr. Maldonado noted that it is not up to staff to make the changes independently; and noted that he would like to engage the Board in establishing policies. Dr. Maldonado noted that his recommendation is to move forward.

Dr. Tamez inquired with Mr. Daniels if projects are delayed, could they start over. Mr. Daniels informed to not incur substantial differential, the answer would be no. He apprised that the same firms would not be interested and there could possibly be a lack of participation.

Mr. Oliver noted that these are some of the same issues raised during the last bond in 2002 and 2003. He informed that there are no changes other than the person presenting them.

Mr. Robinson apprised that Board Counsel informed that the solicitation could go back out. He noted that the items were voted on in March and could have been re-solicited then. Mr. Robinson apprised that for future reference, if the Board does not approve a project, then it needs to go back out. He noted that months have passed and the process could have been restarted and approved. He informed that the Board has not heard any discussion regarding the contracts of the professionals who sent out letters that have damaged the credibility of the college and noted that those individuals have no credibility with him.

Mr. Capo informed that if it took two years to get to this point, he can imagine the level of sloppiness that could take place in trying to complete it in a few months. He apprised that



if going to start the projects over, he would like the institution to have an indemnity policy for him. He noted that he would work to change the process moving forward but does not want to contemplate going out again.

Mr. Wilson informed that he would not agree to approve items that he believes are a bad deal. He apprised that Turner received recommendation for five of the projects and Tellespen received three and the only reason they did not receive the others was that they did not bid for the others.

Mr. Wilson inquired as to how will building operations be financed. He noted that he would not have voted for Central if he had current information. He informed that he would like to see plans and move forward taking subjectivity out of the process and hard bid the remaining projects.

Mr. Glaser thanked Dr. Maldonado regarding his efforts. He inquired if administration has reviewed questions regarding the Brays Oak property. He apprised that Projects C and D are in his district and suggested engineering the structures to build vertically at a later date.

Dr. Maldonado noted that the land was approved by the Board through a resolution passed in April 2013. He informed that the property belonged to Houston Independent School District (HISD) and apprised that dialogue could be held with HISD about an early college. Dr. Maldonado noted that the structure consideration for future growth is a change in scope, which will be taken to the designer and will be brought back to the Board

**BOND CONSTRUCTION MANAGER-AT-RISK SERVICES FOR PROJECT D (SW BRAYS OAKS CAMPUS) AND PROJECT C (SW WEST LOOP CAMPUS) [PROJECT NO. RFP 14-04]**

Motion – Ms. Mullins moved and Mr. Capo seconded. The motion passed with a vote of 5-4-0 with Trustees Capo, Glaser, Loreda, Mullins, and Tamez in favor and Trustees Oliver, Robinson, Sane, and Wilson opposing.

**BOND CONSTRUCTION MANAGER-AT-RISK SERVICES FOR PROJECT M (CENTRAL SOUTH CAMPUS) AND PROJECT J (NE NORTH FOREST WORKFORCE & EARLY COLLEGE) [PROJECT NO. RFP 14-04]**

Motion – Ms. Mullins move and Dr. Tamez seconded. The motion passed with a vote of 5-4-0 with Trustees Capo, Glaser, Loreda, Mullins, and Tamez in favor and Trustees Oliver, Robinson, Sane, and Wilson opposing.

**BUDGET WORKSHOP REGARDING PROPOSED BUDGET (UNRESTRICTED FUNDS) FOR FISCAL YEAR 2014-2015**

The item was postponed for discussion at later date.

**ADJOURNMENT**

With no further business coming before the Board, the meeting adjourned at 4:50 p.m.

*Minutes recorded, transcribed & submitted by:*  
Sharon Wright, Manager, Board Services

Minutes Approved as Submitted: August 21, 2014