MINUTES OF THE
WORKSHOP AND REGULAR MEETING OF THE BOARD OF TRUSTEES
LONE STAR COLLEGE SYSTEM
CENTRAL SERVICES AND TRAINING CENTER
TRAINING AND DEVELOPMENT CENTER BOARD ROOM
5000 RESEARCH FOREST DRIVE
THE WOODLANDS, TEXAS 77381-4356
December 5, 2013
5:00 p.m.

PRESENT:  Dr. David Holsey, Chair
Mr. Bob Wolfe, Vice Chair
Mr. David Vogt, Assistant Secretary
Ms. Stephanie Marquard
Ms. Linda Good
Dr. Kyle Scott
Dr. Ron Trowbridge

ABSENT:  Ms. Priscilla Kelly, Secretary
Mr. Robert Adam

I. CALL TO ORDER:  Dr. Holsey called the workshop and regular meeting of the Board of Trustees to order at 5:06 p.m. after determining that a quorum was present.

II. PLEDGE OF ALLEGIANCE:  Dr. Trowbridge led the Board and guests in reciting the Pledge of Allegiance.

III. CERTIFICATION OF THE POSTING OF THE NOTICE OF THE MEETING:  Chancellor Carpenter confirmed that the Notice for the meeting had been properly posted. No action was required. A copy is attached as Exhibit “A”.

IV. INTRODUCTIONS, SPECIAL GUESTS AND RECOGNITIONS:  Senior Vice Chancellor Rand Key announced and introduced the 2014 Leadership Academy Cohort. They are from LSC-CyFair: Milton Kandeh, Abraham Korah, Sylvia San Pedro, Contessa Scroggins, Kristoffer Villarreal; LSC-Kingwood: Kirsty Miller, Mari Peddycoart, Diane Wilson; LSC-Montgomery: Katie Halbert, Tadju Wickham, LSC-SO: Deborah Jurries, Sylvia King, Anna Knippel; LSC-North Harris: Aunya Byrd, Kristen Lue King, John Luedemann, Juan Primo; Scott Richardson; LSC-Tomball: Ben Leung, Jackie Thomas; LSC-University Park: Richard Lewis, Caroline Williamson.  Dr. Carpenter introduced former Trustee Don Stewart and his wife Janet who were attending the board meeting.

V. CLOSED SESSION:  At 5:38 p.m. Dr. Holsey convened the Board in closed session, in accordance with Section 551.001 et. seq. of the Texas Government Code under one or more of the following provision(s) of the Act:

1
Section 551.071 - Consultation with Attorney
Section 551.072 - Deliberation Regarding Real Property
Section 551.073 - Deliberation Regarding Prospective Gift
Section 551.074 - Personnel Matters
Section 551.076 - Deliberation Regarding Security Devices
Section 551.087 - Economic Development Negotiations

Mr. Vogt entered the meeting at 5:21 p.m.

VI. RECONVENE REGULAR MEETING: Dr. Holsey reconvened the open meeting at 6:54 p.m.

VII. WORKSHOP: Dr. Katherine Persson introduced Dr. John J Theis who gave a presentation on the Civic Engagement program at the LSC-Kingwood campus to teach civic skills to promote quality of life.

VIII. APPROVAL OF THE MINUTES OF THE NOVEMBER 7, 2013 WORKSHOP AND REGULAR MEETING: upon a motion by Ms. Good and a second to the motion by Dr. Scott, the board approved the minutes of the November 7, 2013 Public Hearing and Workshop and Regular Meeting. Ms. Marquard and Mr. Wolfe abstained.

IX. SPECIAL REPORTS AND ANNOUNCEMENTS:

1. Chancellor: Chancellor Carpenter announced the LSC Foundation’s 20th Annual Golf tournament was postponed to Monday, December 2, 2013 because of weather. Continuing our successful fund-raising trend over the last few years, this year’s golf tournament set a revenue record of approximately $152,000. That is a $12,000 increase over last year. Despite the change of date due to inclement weather, we had a great showing of our golfers on two courses. This month we will have three very special dedications. December 6, 2013 is the grand opening of the CHI LSC-North Harris School of Cosmetology. CHI is one of the most respected hair care systems in the world and Farouk Systems shares a commitment to education and economic development with LSCS. This is a tremendous addition to enable our students to get the training that leads to high wage jobs. On December 10th, we will dedicate the John E. Pickelman Student Conference Center at LSC-Kingwood in honor of Chancellor Emeritus John Pickelman. On December 16th, we will dedicate the Randy Bates building at LSC-Victory Center in honor of Randy Bates’ 22 years of service with the system.

2. College Presidents: Dr. Austin Lane, president of LSC-Montgomery, gave a presentation on Professional Development on each of the campuses.

3. Vice Chancellors: None.

4. Faculty Senate Presidents: John Barr, faculty senate president LSC-University Park, gave a presentation on the importance of liberal arts in fostering the goal of civic
engagement. He identified liberal arts activities and programs being held at all the campuses.

X. CONSIDERATION OF THE CONSENT AGENDA: Items number 1, 4, 6 and 7 were removed from the agenda to be considered separately. Dr. Holsey proceeded with the Consent Agenda. Ms. Good made a motion to approve the Consent Agenda. Ms. Marquard seconded the motion and the Board unanimously passed the Consent Agenda. A copy is attached as Exhibit “B”.

XI. POLICY REPORT AND CONSIDERATIONS:

1. Consideration of the Recommended Revisions of the Lone Star College System Board Policy IV.B.1.01 (FIRST READING): the board unanimously considered the recommended revisions of the Lone Star College System Board Policy Section IV.B.1.01. This constitutes a first consideration with a request for approval during the February 2014 Board meeting. A copy is attached as Exhibit “C”.

2. Consideration of the Recommended Revisions of the Lone Star College System Board Policy IV.B.1.01 (ACTION ITEM 1): upon a motion made by Ms. Good and a second by Ms. Marquard, the board unanimously approved the recommended revisions of the Lone Star Board Policy IV.B.1.01 (9). A copy is attached as Exhibit “D”.

XII. CURRICULUM REPORT AND CONSIDERATIONS:

1. Consideration of Approval of an Associate of Applied Science Degree (AAS) in Industrial Technology (60 credit hours) for Implementation at Lone Star College-North Harris for Fall 2014 (ACTION ITEM 2): the board unanimously approves an Associate of Applied Science Degree (AAS) in Industrial Technology. This item was passed in the Consent Agenda. A copy is attached as Exhibit “E”.

2. Consideration of Approval of an Associate of Applied Science (AS) Degree in Mechanical Engineering (60 credit hours) for Implementation Spring 2014 (ACTION ITEM 3): the board unanimously approved the Associate of Applied Science Degree (AS) in Mechanical Engineering. This item was passed in the Consent Agenda. A copy is attached as Exhibit “F”.

XIII. FINANCIAL REPORTS AND CONSIDERATIONS:

1. Monthly Financial Statements: Ms. Cindy Gilliam, vice chancellor for administration and finance, presented the monthly financial statements for the month ended October 31, 2013. A copy is attached as Exhibit “G”.

2. Consideration of Approval and Acceptance of the Comprehensive Annual Financial Report (CAFR) and the Independent Auditor’s Reports (ACTION ITEM 4): upon a motion by Mr. Vogt and a second by Ms. Marquard, the Board unanimously approved
and accepted the recommendation of the Board Audit Committee regarding acceptance of the Comprehensive Annual Financial Report and the independent auditor’s reports. A copy is attached as Exhibit “H”.

3. Consideration of Approval to Renew Contract to Purchase Investment Advisor Services for the System (ACTION ITEM 5): the board unanimously approves a one year renewal of the contract to purchase investment advisor services from Valley View Consulting, L.L.C., 2428 Carters Mill Road, Huddleston, VA, 24104, for a not to exceed fee, based on the value of the investment portfolio, of $75,000, bringing the total contract amount to $255,000 over the four year period. This item was passed in the Consent Agenda. A copy is attached as Exhibit “I”.

4. Consideration of Approval to Authorize the Chancellor or Designee to Negotiate and Execute Contracts to Purchase Architectural Services for the LSC-Creekside Satellite Center (Creekside) and Other Campus Renovation Projects (Renovation Projects) (ACTION ITEM 6): upon a motion by Dr. Scott and a second by Ms. Marquard the board approved authorizing the Chancellor or designee to negotiate and execute contracts for the purchase of architectural services for Creekside and renovation projects with the highest ranked firms: PBK Architects, Inc. 11 Greenway Plaza, Houston, TX 77046 and Philo-Wilke Partnership, 11275 S. Sam Houston Parkway West, Suite 205, Houston, TX 77031, at a fair and reasonable price. If negotiations cease for any reason with the 1st ranked firm, the System will proceed to negotiate with the 2nd ranked firm. Dr. Trowbridge and Dr. Scott abstained. A copy is attached as Exhibit “J”.

5. Consideration of Approval to Authorize the Chancellor or Designee to Negotiate and Execute Contracts to Purchase Construction Management at Risk (CM-at-Risk) Services for the LSC-Creekside Satellite Center (Creekside) and LSC-Fairbanks Center Parking Garage (the Fairbanks Garage) (ACTION ITEM 7): upon a motion by Ms. Marquard and a second by David Vogt the board approved authorizing the Chancellor or designee to negotiate and execute contracts to purchase CM-at-Risk services for Creekside and the Fairbanks garage with the highest ranked companies: Durotech, 11931 Wickchester, Suite 2015, Houston, Texas 77043 and Pepper Lawson Construction, LP, 4555 Katy Hockley Cut-off Road, Katy, Texas 77493. Dr. Trowbridge and Dr. Scott abstained. A copy is attached as Exhibit “K”.

6. Consideration of Approval to Authorize the Chancellor or Designee to Negotiate and Execute Agreements for the Purchase of Test and Air Balance Services for the System (ACTION ITEM 8): the board unanimously authorizes the Chancellor or designee to negotiate and execute agreements for the purchase of test and air balance services for the System from the following companies for a not to exceed amount of $1,330,000 over the five year period: Campos Engineering, Inc., 514 Houston St., Suite 825, Fort Worth, TX 76102; Engineering Air Balance Co., 604 Spring Hill Drive, Suite 100, Spring, TX 77386; National Precisionaire, LLS, 19426 Oil Center Blvd., Houston, TX 77073; and Technical Air Balance, 17507 Wied Rd., Suite F,
7. **Consideration of Approval to Authorize the Chancellor or Designee to Negotiate and Execute a Contract to Purchase of Professional Mechanical, Electrical and Plumbing (MEP) Engineering Services for the System (ACTION ITEM 9):** the board unanimously authorizes the Chancellor or designee to negotiate and execute a contract for the purchase of professional MEP engineering services for the System in an amount not to exceed $2,000,000 over a five year term with the following firms:
   - **Small Projects** - Chien Associates, dba: CAI Consulting Engineers, 10700 Richmond Ave., Suite 145, Houston, TX 77042; E&C Engineers & Consultants, 1010 Lamar St, Suite 650, Houston, TX 77002; CMTA, Inc. 1610 Woodstead Court, Suite 105, The Woodlands, TX 77380; 
   - **Medium Projects** - E&C Engineers & Consultants, 1010 Lamar St, Suite 650, Houston, TX 77002; CMTA, Inc. 1610 Woodstead Court, Suite 105, The Woodlands, TX 77380, Huitt-Zollars, Inc. 1500 South Dairy Ashford, Suite 200, Houston, TX 77077; 
   - **Large Projects** - Huitt-Zollars, Inc., 1500 South Dairy Ashford, Suite 200, Houston, TX 77077, Jones/DBR, 9990 Richmond Ave., Suite 310, Houston, TX 77042, Energy Related MEP Services - CMTA, Inc. 1610 Woodstead Court, Suite 105, The Woodlands, TX 77380 and Lab Design MEP Services - E&C Engineers & Consultants, 1010 Lamar St, Suite 650, Houston, TX 77002. The System will negotiate with the first ranked firm based on a defined scope of work. If the System is unable to negotiate a fair and reasonable price, or the firm is unable to meet the System’s project schedule, negotiations will end with that firm and proceed with the next highest ranked firm until a price and schedule can be agreed upon. This item was passed in the Consent Agenda. A copy is attached as Exhibit “L”.

8. **Consideration of Approval to Purchase Ultrasound Machines for the Diagnostic Medical Sonography Program at LSC-CyFair (ACTION ITEM 10):** the board unanimously approves the purchase of two ultrasound machines for the Diagnostic Medical Sonography program at LSC-CyFair in the amount of $305,349 from Philips Healthcare, 3000 Minuteman Road, Andover, MA 01810. This item was passed in the Consent Agenda. A copy is attached as Exhibit “N”.

9. **Consideration of Approval of Investment Broker/Dealers for FY 2013-14 (ACTION ITEM 11):** the board unanimously approves investment broker/dealers for FY 2013-14. This item was passed in the Consent Agenda. A copy is attached as Exhibit “O”.

10. **Consideration of Approval to Purchase Deliverables-Based Information Technology Services for the System (ACTION ITEM 12):** the board unanimously approves the purchase of deliverables based information technology services for a total amount not to exceed $5,000,000 over a period of five years from the following firms: Oracle Corporation Dba: Oracle America, Inc., Two Allen Center, 1200 Smith Street, Houston, TX 77002; ERP Analysts, Inc., 425 Metro Place N, Suite 510, Dublin, OH 43017; Io Consulting, Inc., 26893 Bouquet Canyon Road, Suite C, #293, Saugus, CA 91350; Precision Task Group, Inc., 9801 Westheimer, Suite 803, Houston, TX 77042;
Dimension Systems, Inc., 28525 Orchard Lake Road, Farmington Hills, MI 48334; GNC Consulting, Inc., 21195 S. LaGrange Road, Frankfort, IL 60423; and Tunabear, Inc., 6420 Dykes Way, Dallas, TX 75230. In addition, authorizes the Chancellor or designee to negotiate and execute the specific project scope of work agreements. This item was passed in the Consent Agenda. A copy is attached as Exhibit “P”.

11. Consideration of Approval to Purchase Communication Equipment for the Police Radio System for the System (ACTION ITEM 13): the board unanimously approves the purchase of digital police dispatch and radio equipment from Motorola Solutions, 7840 N. Sam Houston Parkway West, Suite 300, Houston, Texas 77064, in the amount of $363,265. In addition, approves the estimated cost ($4,000) of installing the radios in police units for a total not to exceed amount of $368,000 for this purchase. This item was passed in the Consent Agenda. A copy is attached as Exhibit “Q”.

XIV. BUILDING AND GROUNDS REPORTS:

Construction Projects Update: the Board reviewed the report as presented. A copy is attached as Exhibit “R”.

XV. PERSONNEL REPORTS AND CONSIDERATIONS:

1. Consideration of Ratification of Appointments (ACTION ITEM 14): the Board unanimously ratified the appointments as presented. This item was passed in the Consent Agenda. A copy is attached as Exhibit “S”.

2. Consideration of Acceptance of Resignations (ACTION ITEM 15): the Board unanimously accepted the resignations as presented. This item was passed in the Consent Agenda. A copy is attached as Exhibit “T”.

3. Consideration of Approval of Commissioning of Peace Officers (ACTION ITEM 16): the Board unanimously approved the commissioning of the following peace officers for Lone Star College System: LSC-Montgomery, Michael K. Hamm. This item was passed in the Consent Agenda. A copy is attached as Exhibit “U”.

XVI. SUGGESTED FUTURE AGENDA ITEMS: None.

XVII. CITIZENS DESIRING TO ADDRESS THE BOARD: Mr. Moe Rivera, representing the Hispanic Executive Society International (HESI) asked the Board to consider Hispanic diversity and Hispanic mentoring opportunities for students.

Dr. John Burgduff spoke on behalf of the American Federation of Teachers about the LSCS Adjunct workload. Chairman Holsey asked him to follow the LSCS complaint process.

Chairman Holsey asked Dr. Larry Loomis Price to follow the LSCS complaint process.
XVIII. ADJOURNMENT: There being no further business, the meeting was adjourned at 8:00 p.m.

ATTEST:

[Signatures]

Board of Trustees, Chair

Board of Trustees, Secretary
Certification of Posting of Notice to the December 5, 2013  
Workshop and Regular Meeting of the  
Lone Star College System’s  
Board of Trustees

I, Richard Carpenter, Chancellor of the Lone Star College System, do hereby certify that a notice of this meeting was posted on Monday the 2\textsuperscript{nd} day of December, 2013 in a place convenient to the public in the Administration Office of the Central Services and Training Center, on all college campuses and on the system website as required by Section 551.002 \textit{et seq.}, Texas Government Code. Special notice of the meeting was provided to the news media as required by Section 551.001 \textit{et seq.}, Texas Government Code.

Given under my hand this the 2\textsuperscript{nd} day of December, 2013.

\begin{center}
\textit{Richard Carpenter}  
Chancellor
\end{center}
Consent Agenda:

A roll call of individual action items will determine the consent agenda. If a trustee has a question or plans to cast a negative vote regarding a specific recommendation, then the trustee/trustees need to acknowledge their intention to the Chair by show of hand during the roll call: this action item will be considered in the regular order of business as an individual action item.

Those action items that the trustees plan to approve without further question or discussion will be placed on the consent agenda during roll call of individual action items. Upon the creation of the consent agenda, a motion, a second to the motion and unanimous approval of the Board of Trustees is needed to approve the action items. Upon approval of the consent agenda, the Board of Trustees will proceed with the remainder of the agenda.

Rationale:
The consent agenda format is an organization process for meetings that allows the governing board to focus their time and attention on action items that require more elaboration, information, and/or discussion. The intent of the consent agenda is to support efficiency and effectiveness of the meeting.

Tally of Action Items:

<table>
<thead>
<tr>
<th>#</th>
<th>Action Item</th>
<th>Consent Agenda</th>
<th>Chancellor Recommended Separate Action</th>
<th>Board Separate Action</th>
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<tbody>
<tr>
<td>1</td>
<td>Approve Amendment to Adjunct Teaching Load Policy</td>
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<td>2</td>
<td>Approve AAS Industrial Tech Deg LSC-North Harris</td>
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<td>3</td>
<td>Approve AS Mechanical Engineering Deg</td>
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<td>4</td>
<td>Approve CAFR and Independent Auditors’ Report</td>
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<td>5</td>
<td>Approve Renew Contract/Purch Investment Advisors Svs</td>
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<td>6</td>
<td>Authorize Chan/Exec/Purch/Archit/Svs/LSC-Creekside</td>
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<td>7</td>
<td>Authorize Chan/Exec/Purch/CM-at-Risk/Svs/Creekside</td>
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<td>8</td>
<td>Authorize Chan/Neg/Exec Purch Test/Balance Services</td>
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<td>9</td>
<td>Authorize Chan/Neg/Exec Purch Prof MEP Eng/Svs</td>
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<td>10</td>
<td>Approve Purch/US/Mach/_diag/Med/Sonography LSC-CF</td>
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<td>11</td>
<td>Approve Investment Broker Dealers for FY 13-2014</td>
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<td>12</td>
<td>Approve Purch/Deliv/Based Info/Technology Services</td>
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<tr>
<td>13</td>
<td>Approve Purch/Comm/Equip/Police Radio System</td>
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<tr>
<td>14</td>
<td>Ratify Appointments</td>
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<td>15</td>
<td>Accept Resignations</td>
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<td>16</td>
<td>Approve Commissioning of Peace Officers</td>
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Policy Report and Consideration No. 1 (FIRST READING)  Board Meeting 12-5-13

Request: Consideration of the Recommended Revision of the Lone Star College System Board Policy Section IV.B.1.01 (FIRST READING).

Chancellor’s Recommendation: That the Board of Trustees considers the recommended revision of the Lone Star College System Board Policy Section IV.B.1.01. This constitutes a first consideration with a request for approval during the February 2013 Board meeting.

Rationale: The recommended policy consideration will establish a category of employment for Workforce Skilled Trade Instructors who provide targeted workforce training that is identified through LSCS partnerships with business, government and community organizations.

Fiscal Impact: None

Staff Resource: Richard Carpenter 832-813-6515
Rand Key 832-813-6522
Brian Nelson 832-813-6655
IV.B.1.01 Appointment Categories

7. Workforce Skilled Trade Instructor: Refers to a contractual instructional employee whose duties are instructing, teaching and program and career development to meet workforce needs identified through LSCS partnerships with business, government and community organizations. Instructors may be hired on a full or reduced teaching load. Position has no right of continued employment with the system beyond the initial term of employment. The position offers no right of notice of non-renewal and service does not count towards eligibility for a multiyear contract or faculty status.
Request: Consideration of the Recommended Revisions of the Lone Star College System Board Policy Section IV.B.1.01

Chancellor’s Recommendation: That the Board of Trustees considers the recommended revisions of the Lone Star College System Board Policy Section IV.B.1.01(9).

Rationale: The recommended policy consideration will clarify the credit hour limitations for adjuncts per semester/academic year.

Fiscal Impact: None

Resource: Richard Carpenter  832-813-6515
Rand Key         832-813-6522
Brian Nelson      832-813-6655
IV.B.1.01 Appointment Categories

9. Adjunct: An employee who receives a limited per semester appointment to teach no more than nine (9) credit hours per semester not to exceed fifteen (15) credit hours in any given academic year.
Curriculum Report and Consideration No. 1  (ACTION ITEM 2)  Board Meeting 12/5/13

Request:  Consideration of Approval of an Associate of Applied Science Degree (AAS) in Industrial Technology (60 credit hours) for Implementation at Lone Star College-North Harris for Fall 2014.

Chancellor’s Recommendation:  That the Board of Trustees approves an Associate of Applied Science Degree for Industrial Diesel Technology

Rationale:  Employment projections indicate a need in the region for bus and truck mechanics and industrial diesel engine specialists to support the growth in the manufacturing and oil and gas industries. The Texas Workforce Commission’s (TWC) 10-year projections show 205 average annual openings in the Gulf Coast region from 2010 to 2020. More recent data projections from Economic Modeling Specialists Intl. (EMSI) show 247 openings between 2013 and 2014 due to both retirement and growth.

The Texas Workforce Commission (TWC TRACER) shows the median hourly wage for this occupation as $18.92 based on 2011 wage reports, and EMSI shows the median hourly wage as $19.50 in 2013. Regional job postings (Burning Glass) and state occupational databases indicate a need for this occupation to work in industries like Transportation and Warehousing (General Freight Trucking and Specialized Freight Trucking), Services (Automotive Repair and Maintenance) and Trade (Motor Vehicle and Motor Vehicle Parts and Supplies Merchant Wholesalers). Regionally, General Freight Trucking is the dominant industry employer group with 12.40 percent of the employment base for this occupation. In addition, our employers have validated these numbers with their specific employment needs.

The only colleges with a similar program in the Gulf Coast region are Houston Community College and San Jacinto College-North. HCC’s program has graduated 158 students over the past five years, and San Jacinto College’s program has graduated 188 over those past five years. The average annual graduation rate of 69 students shows an ongoing unmet demand for trained workers in this field (Texas Higher Education Coordinating Board (THECB) graduate data).

The THECB requires that the college district’s Board of Trustees approves new programs.

Fiscal Impact:  Start-up funds available from Lone Star College new program funds and LSC-North Harris operating funds for 2013-14.

Vice Chancellor:  Rand W. Key  832-813-6522
Curriculum and Consideration No. 2 (ACTION ITEM 3)  
Board Meeting 12-5-2013

Request: Consideration of Approval of an Associate of Science (AS) Degree in Mechanical Engineering (60 credit hours) for Implementation Spring 2014.

Chancellor’s Recommendation: That the Board of Trustees approves an AS for Mechanical Engineering.

Rationale: Mechanical engineering is a branch of engineering that applies principles of engineering, basic science, and mathematics (including multivariate calculus and differential equations) for modeling, analysis, design, and realization of physical systems, components, or processes. Mechanical engineering curriculum also prepares students to work professionally in both thermal and mechanical systems areas. Mechanical engineering is one of the oldest and broadest engineering disciplines. (Texas Higher Education Coordinating Board)

This AS degree will follow the Community College Program of Study for Transfer to a Mechanical Engineering Program which is a part of a Tuning Agreement through the Texas Higher Education Coordinating Board. Fifteen universities currently participate in the Texas Voluntary Transfer Compact for Engineering which creates a common transfer pathway for students. The Texas Higher Education Coordinating Board requires that the college district Board of Trustees approve the implementation of this program.

Fiscal Impact: Funding in the 2013-14 operating budget will be utilized to offer the program.

Resource: Keri Rogers 832-813-6597
Report: Monthly Financial Statements

The financial statements for the month ended October 31, 2013 are presented for Board review.
Prior to fiscal year 2010-11, the System’s financial software dated revenues as earned the same day as entered into the system. The current software, implemented in 2010-11, dates revenues in the time period the revenues are earned, regardless of the date the amounts were entered into the software program.
Prior to fiscal year 2010-11, the System’s financial software dated expenditures as incurred on the same day as entered into the system. The current software, implemented in 2010-11, dates expenditures in the time period the expenditures are incurred, regardless of the date the amounts were entered into the software prograr
HOW MUCH DO WE NEED IN RESERVES?

<table>
<thead>
<tr>
<th></th>
<th>SEPTMBER</th>
<th>OCTOBER</th>
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<tbody>
<tr>
<td><strong>REVENUES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>EXPENDITURES</strong></td>
<td></td>
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</table>
LONE STAR COLLEGE SYSTEM

Statement of Revenues and Expenditures
General and Auxiliary Funds
For the One Month Ended October 31, 2013
Unaudited

### REVENUES:

<table>
<thead>
<tr>
<th>Description</th>
<th>Budget</th>
<th>Actual</th>
<th>% of Actual to Budget</th>
<th>Prior Year Actual</th>
<th>% of Prior Year Actual to Budget</th>
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</thead>
<tbody>
<tr>
<td>State Appropriations</td>
<td>$72,510,000</td>
<td>$17,394,164</td>
<td>24.0%</td>
<td>$17,057,486</td>
<td>25.7%</td>
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<tr>
<td>Tuition and Fees</td>
<td>102,720,000</td>
<td>43,285,232</td>
<td>42.1%</td>
<td>41,828,665</td>
<td>42.6%</td>
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<tr>
<td>Taxes</td>
<td>109,570,000</td>
<td>1,470,489</td>
<td>1.3%</td>
<td>1,052,571</td>
<td>1.0%</td>
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<tr>
<td>Investments</td>
<td>400,000</td>
<td>49,535</td>
<td>12.4%</td>
<td>47,135</td>
<td>14.5%</td>
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<tr>
<td>Other</td>
<td>5,980,000</td>
<td>866,645</td>
<td>14.5%</td>
<td>720,671</td>
<td>13.4%</td>
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<tr>
<td>Tuition/Growth Contingency</td>
<td>2,250,000</td>
<td>-</td>
<td>0.0%</td>
<td>0</td>
<td>0.0%</td>
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<td><strong>Total Current Operations Revenues</strong></td>
<td>293,430,000</td>
<td>63,066,065</td>
<td>21.5%</td>
<td>60,706,528</td>
<td>21.8%</td>
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<tr>
<td>Auxiliary Revenues</td>
<td>14,700,000</td>
<td>1,748,915</td>
<td>11.9%</td>
<td>1,239,589</td>
<td>11.3%</td>
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<td><strong>Total Revenues</strong></td>
<td>308,130,000</td>
<td>64,814,980</td>
<td>21.0%</td>
<td>61,946,117</td>
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<tr>
<td>Reserves</td>
<td>9,660,000</td>
<td>-</td>
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<td>-</td>
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<tr>
<td><strong>Total Revenues and Reserves</strong></td>
<td>317,790,000</td>
<td>64,814,980</td>
<td>-</td>
<td>61,946,117</td>
<td>-</td>
</tr>
</tbody>
</table>

### EXPENDITURES:

<table>
<thead>
<tr>
<th>Description</th>
<th>Budget</th>
<th>Actual</th>
<th>% of Actual to Budget</th>
<th>Prior Year Actual</th>
<th>% of Prior Year Actual to Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Instruction-Academic</td>
<td>73,493,524</td>
<td>13,302,546</td>
<td>18.1%</td>
<td>12,200,430</td>
<td>16.9%</td>
</tr>
<tr>
<td>Instruction-Workforce</td>
<td>26,920,162</td>
<td>5,280,429</td>
<td>19.6%</td>
<td>4,957,631</td>
<td>18.2%</td>
</tr>
<tr>
<td>Public Service</td>
<td>815,211</td>
<td>111,570</td>
<td>13.7%</td>
<td>98,441</td>
<td>11.1%</td>
</tr>
<tr>
<td>Academic Support</td>
<td>54,096,551</td>
<td>5,840,204</td>
<td>10.8%</td>
<td>5,882,051</td>
<td>12.7%</td>
</tr>
<tr>
<td>Student Services</td>
<td>44,332,987</td>
<td>5,759,608</td>
<td>13.0%</td>
<td>4,677,586</td>
<td>12.2%</td>
</tr>
<tr>
<td>Institutional Support</td>
<td>32,500,184</td>
<td>4,139,478</td>
<td>12.7%</td>
<td>3,695,415</td>
<td>11.4%</td>
</tr>
<tr>
<td>Plant Operation and Maintenance</td>
<td>29,806,783</td>
<td>4,890,001</td>
<td>16.4%</td>
<td>5,019,747</td>
<td>16.5%</td>
</tr>
<tr>
<td>Staff Benefits</td>
<td>23,524,598</td>
<td>3,901,208</td>
<td>16.6%</td>
<td>2,871,694</td>
<td>12.4%</td>
</tr>
<tr>
<td>Growth Contingency</td>
<td>2,250,000</td>
<td>-</td>
<td>0.0%</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Educational and General Expenditures</strong></td>
<td>287,740,000</td>
<td>43,225,044</td>
<td>15.0%</td>
<td>39,402,995</td>
<td>14.4%</td>
</tr>
<tr>
<td>Repair, Replacement and Other Internal Designated</td>
<td>4,800,000</td>
<td>31,071</td>
<td>0.6%</td>
<td>14,261</td>
<td>0.3%</td>
</tr>
<tr>
<td>Auxiliary</td>
<td>14,700,000</td>
<td>1,857,663</td>
<td>12.6%</td>
<td>1,293,413</td>
<td>11.8%</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td>307,240,000</td>
<td>45,113,778</td>
<td>14.7%</td>
<td>40,710,669</td>
<td>14.1%</td>
</tr>
<tr>
<td>Other Changes - Debt Service &amp; Fund Transfers</td>
<td>10,550,000</td>
<td>1,918,825</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Expenditures and Transfers</strong></td>
<td>317,790,000</td>
<td>47,032,603</td>
<td>-</td>
<td>40,710,669</td>
<td>-</td>
</tr>
</tbody>
</table>

### NET INCREASE (DECREASE) IN FUND BALANCES

<table>
<thead>
<tr>
<th>Description</th>
<th>General Funds</th>
<th>Auxiliary Funds</th>
<th>Total Net Increase (Decrease) in Fund Balances</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Funds</td>
<td>0</td>
<td>0</td>
<td>$17,782,377</td>
</tr>
<tr>
<td>Auxiliary Funds</td>
<td>0</td>
<td>(108,748)</td>
<td>-</td>
</tr>
</tbody>
</table>

**Net Increase (Decrease) in Fund Balances** $0 $17,782,377 $21,235,448
# LONE STAR COLLEGE SYSTEM

**Balance Sheet**  
**October 31, 2013**  
**Unaudited**

### ASSETS

<table>
<thead>
<tr>
<th>Description</th>
<th>General &amp; Auxiliary</th>
<th>Restricted</th>
<th>GASB 34/35 Reporting &amp; Investment In Plant</th>
<th>Memorandum Totals Current Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>(13,958,812) $</td>
<td>$ 5,951,177</td>
<td>$ -</td>
<td>$ (8,007,635)</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>118,488,359 $</td>
<td>47,126,968</td>
<td>4,596,378</td>
<td>170,211,705</td>
</tr>
<tr>
<td>Investments</td>
<td>80,082,907 $</td>
<td>93,835,280</td>
<td>-</td>
<td>173,918,187</td>
</tr>
<tr>
<td>Prepaid and deferred expenses</td>
<td>4,388,492 $</td>
<td>-</td>
<td>4,388,492</td>
<td>42,962</td>
</tr>
<tr>
<td>Prepaid and deferred expenses</td>
<td>-</td>
<td>582,760,036</td>
<td>-</td>
<td>582,760,036</td>
</tr>
<tr>
<td>Amount to be provided for retirement long-term debt</td>
<td>(17,990) $</td>
<td>-</td>
<td>763,757,130</td>
<td>763,739,140</td>
</tr>
<tr>
<td>Capital assets, net</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>$ 189,025,918</td>
<td>$ 729,673,461</td>
<td>$ 768,353,508</td>
<td>$ 1,687,052,887</td>
</tr>
</tbody>
</table>

### LIABILITIES AND FUND BALANCES

**LIABILITIES:**

<table>
<thead>
<tr>
<th>Description</th>
<th>General &amp; Auxiliary</th>
<th>Restricted</th>
<th>GASB 34/35 Reporting &amp; Investment In Plant</th>
<th>Memorandum Totals Current Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable</td>
<td>4,408,866 $</td>
<td>4,981,906</td>
<td>2,839,098</td>
<td>12,229,870</td>
</tr>
<tr>
<td>Deferred revenues</td>
<td>104,097,635 $</td>
<td>45,063,244</td>
<td>-</td>
<td>149,160,879</td>
</tr>
<tr>
<td>Accrued compensable absences payable</td>
<td>6,413,091 $</td>
<td>312,446</td>
<td>-</td>
<td>6,725,537</td>
</tr>
<tr>
<td>Accrued interest payable</td>
<td>-</td>
<td>959,105</td>
<td>959,105</td>
<td></td>
</tr>
<tr>
<td>Bonds payable</td>
<td>-</td>
<td>642,344,721</td>
<td>-</td>
<td>642,344,721</td>
</tr>
<tr>
<td>Assets held in custody for others</td>
<td>-</td>
<td>6,151,181</td>
<td>-</td>
<td>6,151,181</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES</strong></td>
<td>114,919,592 $</td>
<td>699,812,603</td>
<td>2,839,098</td>
<td>817,571,293</td>
</tr>
</tbody>
</table>

**FUND BALANCES:**

<table>
<thead>
<tr>
<th>Description</th>
<th>General &amp; Auxiliary</th>
<th>Restricted</th>
<th>GASB 34/35 Reporting &amp; Investment In Plant</th>
<th>Memorandum Totals Current Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrestricted</td>
<td>74,106,326 $</td>
<td>-</td>
<td>462,317,594</td>
<td>536,423,920</td>
</tr>
<tr>
<td>Restricted</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>207,308</td>
</tr>
<tr>
<td>Non grant agreements</td>
<td>-</td>
<td>207,308</td>
<td>-</td>
<td>207,308</td>
</tr>
<tr>
<td>Restricted for construction</td>
<td>-</td>
<td>(10,327,790)</td>
<td>301,766,537</td>
<td>291,438,747</td>
</tr>
<tr>
<td>Debt service</td>
<td>-</td>
<td>39,981,340</td>
<td>1,430,279</td>
<td>41,411,619</td>
</tr>
<tr>
<td><strong>TOTAL FUND BALANCES</strong></td>
<td>74,106,326 $</td>
<td>29,860,858</td>
<td>765,514,410</td>
<td>869,481,594</td>
</tr>
</tbody>
</table>

**TOTAL LIABILITIES AND FUND BALANCES**

<table>
<thead>
<tr>
<th>Description</th>
<th>General &amp; Auxiliary</th>
<th>Restricted</th>
<th>GASB 34/35 Reporting &amp; Investment In Plant</th>
<th>Memorandum Totals Current Year</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TOTAL LIABILITIES AND FUND BALANCES</strong></td>
<td>$ 189,025,918</td>
<td>$ 729,673,461</td>
<td>$ 768,353,508</td>
<td>$ 1,687,052,887</td>
</tr>
</tbody>
</table>

Subject to Change pending completion of the August 31, 2013 audit.
## LONE STAR COLLEGE SYSTEM
### SUMMARY OF INVESTMENTS
#### AS OF OCTOBER 31, 2013

<table>
<thead>
<tr>
<th>Description</th>
<th>Ending BV 09/30/2013</th>
<th>Total Buys</th>
<th>Total Sells</th>
<th>Interest/Dividends</th>
<th>Ending BV 10/31/2013</th>
<th>Ending BV 10/31/2012</th>
<th>Weighted Avg. Purchase Yield</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>GENERAL FUNDS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CASH</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>157,359</td>
</tr>
<tr>
<td>POOLS</td>
<td>48,938,692</td>
<td>114,089</td>
<td>35,776,375</td>
<td>2,627</td>
<td>13,276,405</td>
<td>8,789,110</td>
<td></td>
</tr>
<tr>
<td>AGENCIES</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>CERTIFICATE OF DEPOSIT</td>
<td>66,816,249</td>
<td>7,197</td>
<td>15,102,268</td>
<td>13,220</td>
<td>51,720,559</td>
<td>45,608,229</td>
<td></td>
</tr>
<tr>
<td>COMMERCIAL PAPER</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MONEY MARKET ACCOUNT</td>
<td>10,020,839</td>
<td>5,065,103</td>
<td>0</td>
<td>2,524</td>
<td>15,085,943</td>
<td>15,054,758</td>
<td></td>
</tr>
<tr>
<td><strong>Total / Average</strong></td>
<td>125,775,780</td>
<td>5,186,390</td>
<td>50,878,643</td>
<td>18,370.70</td>
<td>89,082,907</td>
<td>69,609,456</td>
<td>0.33%</td>
</tr>
<tr>
<td><strong>DEBT SERVICE &amp; CAPITAL PROJECTS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CERTIFICATE OF DEPOSIT</td>
<td>5,114,319</td>
<td>409</td>
<td>0</td>
<td>409</td>
<td>5,114,728</td>
<td>5,060,226</td>
<td></td>
</tr>
<tr>
<td>DEBT SERVICE POOLS</td>
<td>13,469,871</td>
<td>5,002,335</td>
<td>4,728,831</td>
<td>2,334</td>
<td>13,743,375</td>
<td>4,070,271</td>
<td></td>
</tr>
<tr>
<td>AGENCIES</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>COMMERCIAL PAPER</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CAPITAL PROJECTS POOLS</td>
<td>9,969,999</td>
<td>49,994,121</td>
<td>0</td>
<td>4,121</td>
<td>59,964,119</td>
<td>69,952,978</td>
<td></td>
</tr>
<tr>
<td>MONEY MARKET ACCOUNT</td>
<td>5,011,315</td>
<td>10,001,743</td>
<td>0</td>
<td>1,743</td>
<td>15,013,058</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total / Average</strong></td>
<td>33,565,503</td>
<td>64,998,608</td>
<td>0</td>
<td>8,607</td>
<td>93,835,280</td>
<td>79,083,475</td>
<td>0.18%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>159,341,283</td>
<td>70,184,998</td>
<td>50,878,643</td>
<td>26,978</td>
<td>173,918,187</td>
<td>148,692,931</td>
<td>0.24%</td>
</tr>
</tbody>
</table>
Request: Consideration of Approval and Acceptance of the Comprehensive Annual Financial Report (CAFR) and the Independent Auditors’ Reports.

Chancellor’s Recommendation: That the Board of Trustees considers the recommendation of the Board Audit Committee regarding acceptance of the Comprehensive Annual Financial Report and the independent auditors’ reports.

Rationale: The CAFR for fiscal years ended August 31, 2013 and 2012 and the independent auditors’ reports thereon are presented for Board review and acceptance. The independent auditing firm of Whitley Penn has issued an unqualified or “clean” opinion on the System’s financial statements and federal financial assistance programs. As required by the Texas Higher Education Coordinating Board, the CAFR will be filed with various state agencies by January 1, 2014.

The reports are scheduled to be reviewed by the Board of Trustees Audit Committee prior to the December 5, 2013 Board meeting.

Fiscal Impact: None

Staff Resource: Cindy Gilliam  832-813-6512
Request: Consideration of Approval to Renew Contract to Purchase Investment Advisor Services for the System

Chancellor’s Recommendation: That the Board of Trustees approves a one year renewal of the contract to purchase investment advisor services from Valley View Consulting, L.L.C., 2428 Carters Mill Road, Huddleston, VA, 24104, for a not to exceed fee, based on the value of the investment portfolio, of $75,000, bringing the total contract amount to $255,000 over the four year period.

Rationale: In December 2010, the Board of Trustees approved a two year contract to purchase investment advisor services from Valley View Consulting for a fee based on the value of the investment portfolio not to exceed $120,000. The Board approved the renewal of this contract in December 2012 in the amount of $60,000.

The Texas Public Funds Investment Act (PFIA) allows the original contract term to be no more than two years. The PFIA also allows renegotiations and renewals of contracts up to a maximum of every two years. This request is to renew the contract for one additional year for a not to exceed amount of $75,000.

The investment advisor consults or advises governmental entities or private companies in present and future investment plans. Valley View Consulting has actively managed the System’s investments from operating and construction funds. The firm has attained improved earnings rates and has provided improvement recommendations to the System’s investment strategy. It is therefore recommended to extend the contract with Valley View Consulting one additional year based on reasonable fees and favorable performance.

The initial purchase of these services was in compliance with the provisions of Texas Education Code 44.031 (a) through a formal Request for Proposal (RFP #91) process.

Fiscal Impact: These fees are more than offset by investment earnings. In addition, with the assistance of the investment advisor, LSCS continues to achieve average earnings rates above the benchmark, the 90-day Treasury Bill.

Staff Resource: Cindy Gilliam 832-813-6512
Financial Report and Consideration No. 4  (ACTION ITEM 6)  Board Meeting 12-5-13

Request: Consideration of Approval to Authorize the Chancellor or Designee to Negotiate and Execute Contracts to Purchase Architectural Services for the LSC-Creekside Satellite Center (Creekside) and Other Campus Renovation Projects (Renovation Projects)

Chancellor’s Recommendation: That the Board of Trustees authorizes the Chancellor or designee to negotiate and execute contracts for the purchase of architectural services for Creekside and renovation projects with the highest ranked firms, as listed below, at a fair and reasonable price. If negotiations cease for any reason with the 1st ranked firm, the System will proceed to negotiate with the 2nd ranked firm.

<table>
<thead>
<tr>
<th>Company</th>
<th>Project</th>
</tr>
</thead>
<tbody>
<tr>
<td>PBK Architects, Inc.</td>
<td>Creekside Satellite Center</td>
</tr>
<tr>
<td>11 Greenway Plaza</td>
<td></td>
</tr>
<tr>
<td>Houston, Texas  77046</td>
<td></td>
</tr>
<tr>
<td>Philo-Wilke Partnership</td>
<td>Other System Renovation Projects</td>
</tr>
<tr>
<td>11275 S. Sam Houston</td>
<td></td>
</tr>
<tr>
<td>Parkway West, Suite 205</td>
<td></td>
</tr>
<tr>
<td>Houston, Texas  77031</td>
<td></td>
</tr>
</tbody>
</table>

Rationale: Creekside will be an 85,000 square foot center for workforce and academic preparation, economic and community development and a focal point for training for area residents.

Renovation projects include the science laboratories at the Winship Building at LSC-North Harris, office space within the Community Building at the System Office and other projects that may be funded from the 2013 revenue bonds.

In compliance with the provisions of Texas Government Code 2254.004, a Request for Qualifications (RFQ #281) was publicly advertised and issued to seventy-five (75) architectural firms. A pre-proposal conference was held and twenty-six (26) firms were represented. Of the twenty-four (24) responses received, twenty-one (21) included Creekside and nineteen (19) included the renovation projects.

The initial evaluation of proposals was conducted based on the firm’s qualifications, references and relevant higher education experience, approach and methodology, experience of proposed personnel, extent to which certified HUB, minority and/or veteran or woman owned
businesses are utilized and the completeness and thoroughness of the response. On-site presentations for Creekside and renovation projects were made by the firms receiving the highest proposal scores. It is recommended that the firms with the highest on-site presentation scores be awarded the contract for architectural services.

**Fiscal Impact:** Funds for this purchase are available from the Revenue Financing System Bonds, Series 2013B.

**Staff Resource:**
- Cindy Gilliam 832-813-6512
- Steve Head 281-618-5444
- Susan Karr 281-357-3644
Request: Consideration of Approval to Authorize the Chancellor or Designee to Negotiate and Execute Contracts to Purchase Construction Manager at Risk (CM-at-Risk) Services for the LSC-Creekside Satellite Center (Creekside) and LSC-Fairbanks Center Parking Garage (the Fairbanks Garage)

Chancellor’s Recommendation: That the Board of Trustees authorizes the Chancellor or designee to negotiate and execute contracts to purchase CM-at-Risk services for Creekside and the Fairbanks garage with the highest ranked companies listed below.

<table>
<thead>
<tr>
<th>Company</th>
<th>Project</th>
<th>Projected GMP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Durotech</td>
<td>Creekside Satellite Center</td>
<td>$17,000,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pepper-Lawson</td>
<td>Fairbanks Center Parking Garage</td>
<td>$3,000,000</td>
</tr>
<tr>
<td>Construction, LP</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Rationale: The System is utilizing the CM-at-Risk method for the construction of the Fairbanks garage and Creekside to achieve a completion date of August 2014 and January 2016, respectively. The Fairbanks garage will have approximately 250 car spaces on three levels. Creekside will be an 85,000 square foot center for workforce and academic preparation, economic and community development, and a focal point for training for area residents. A guaranteed maximum price proposed award will be placed on a future Board of Trustees agenda when the construction drawings are at the stage of completion where requests for bids can be released.

In compliance with the provisions of Texas Government Code 2267.251, the CM-at-Risk one-step process was followed. A Request for Proposals (RFP #287) was advertised for two consecutive weeks and issued to one hundred (100) construction management companies. A pre-proposal conference was held and seventeen (17) companies were represented. A total of sixteen (16) responses were received for Creekside and eleven (11) responses were received for the Fairbanks garage.
The evaluation of proposals was conducted based on the firm’s proposal cost, experience and reputation, extent to which certified HUB, minority and/or veteran or woman owned businesses are utilized, safety record and plan, proposed lead personnel and ability to meet the project completion timeline. On-site presentations were made by the companies with the highest evaluation scores. Final proposed selections are based on the proposal that provides the best value based on published criteria and final evaluation ranking.

**Fiscal Impact:** Funds for this purchase are available from the Revenue Financing System Bonds, Series 2013B and proceeds from TXDOT Settlement.

**Staff Resource:**

<table>
<thead>
<tr>
<th>Name</th>
<th>Phone</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cindy Gilliam</td>
<td>832-813-6512</td>
</tr>
<tr>
<td>Susan Karr</td>
<td>281-351-3360</td>
</tr>
<tr>
<td>Audre Levy</td>
<td>281-290-3940</td>
</tr>
</tbody>
</table>
Request: Consideration of Approval to Authorize the Chancellor or Designee to Negotiate and Execute Agreements for the Purchase of Test and Air Balance Services for the System

Chancellor’s Recommendation: That the Board of Trustees authorizes the Chancellor or designee to negotiate and execute agreements for the purchase of test and air balance services for the System from the companies listed below for a not to exceed amount of $1,330,000 over the five year period.

<table>
<thead>
<tr>
<th>Company</th>
<th>Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>Campos Engineering, Inc.</td>
<td>514 Houston St., Suite 825</td>
</tr>
<tr>
<td></td>
<td>Fort Worth, TX 76102</td>
</tr>
<tr>
<td>Engineering Air Balance Co.</td>
<td>604 Spring Hill Drive, Suite 100</td>
</tr>
<tr>
<td></td>
<td>Spring, TX 77386</td>
</tr>
<tr>
<td>National Precisionaire, LLC</td>
<td>19426 Oil Center Blvd.</td>
</tr>
<tr>
<td></td>
<td>Houston, TX 77073</td>
</tr>
<tr>
<td>Technical Air Balance</td>
<td>17507 Wied Rd., Suite F</td>
</tr>
<tr>
<td></td>
<td>Spring, TX 77388</td>
</tr>
</tbody>
</table>

Rationale: Test and air balance services are required for various projects including repair and replacement, renovation and new construction.

A Request for Proposals (RFP #285) was advertised for two consecutive weeks. Seven (7) responses were received. Each proposal was evaluated based on pricing, vendor qualifications and experience, extent to which certified HUB, minority and/or veteran or woman owned businesses are utilized, relevant client references and completeness and thoroughness of the proposal. It is recommended that the four firms with the highest scores be awarded the contract for these services.

The term of the agreements is for three years with an option for two one-year renewals.

Fiscal Impact: Funds for these services are included in the approved FY 2013-14 repair and replacement, operating, auxiliary and bond fund budgets. Funds for subsequent years will be included in future proposed budgets.

Staff Resource: Cindy Gilliam 832-813-6512
Request: Consideration of Approval to Authorize the Chancellor or Designee to Negotiate and Execute a Contract to Purchase Professional Mechanical, Electrical and Plumbing (MEP) Engineering Services for the System

Chancellor’s Recommendation: That the Board of Trustees authorizes the Chancellor or designee to negotiate and execute a contract for the purchase of professional MEP engineering services for the System in an amount not to exceed $2,000,000 over a five year term with the firms listed below. The System will negotiate with the first ranked firm based on a defined scope of work. If the System is unable to negotiate a fair and reasonable price, or the firm is unable to meet the System’s project schedule, negotiations will end with that firm and proceed with the next highest ranked firm until a price and schedule can be agreed upon.

### General MEP Services

<table>
<thead>
<tr>
<th>Firm Ranking</th>
<th>Small Projects</th>
<th>Medium Projects</th>
<th>Large Projects</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Chien Associates, dba: CAI Consulting Engineers, 10700 Richmond Ave., Suite 145, Houston, TX 77042</td>
<td>E&amp;C Engineers &amp; Consultants, 1010 Lamar St, Suite 650, Houston, TX 77002</td>
<td>Huitz-Zollars, Inc., 1500 South Dairy Ashford, Suite 200, Houston, TX 77077</td>
</tr>
<tr>
<td>2</td>
<td>E&amp;C Engineers &amp; Consultants, 1010 Lamar St, Suite 650, Houston, TX 77002</td>
<td>CMTA, Inc. 1610 Woodstead Court, Suite 105, The Woodlands, TX 77380</td>
<td>Jones/DBR, 9990 Richmond Ave., Suite 310, Houston, TX 77042</td>
</tr>
<tr>
<td>3</td>
<td>CMTA, Inc. 1610 Woodstead Court, Suite 105, The Woodlands, TX 77380</td>
<td>Huitz-Zollars, Inc. 1500 South Dairy Ashford, Suite 200, Houston, TX 77077</td>
<td>N/A</td>
</tr>
</tbody>
</table>

### Specialty MEP Services

<table>
<thead>
<tr>
<th>Energy Related MEP Services</th>
<th>Lab Design MEP Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>CMTA, Inc. 1610 Woodstead Court, Suite 105, The Woodlands, TX 77380</td>
<td>E&amp;C Engineers &amp; Consultants, 1010 Lamar St, Suite 650, Houston, TX 77002</td>
</tr>
</tbody>
</table>
Rationale: This approval will expedite the response time for upcoming construction projects that require the use of engineering services. Texas Occupations Code sections 1051.703 and 1001.503 require the professional seal of a registered engineer for public works projects involving electrical or mechanical engineering costing more than $8,000. In addition, sealed and signed engineered drawings are required by jurisdictional entities to obtain building permits.

In compliance with the provisions of Texas Government Code 2254.003, a Request for Qualifications (RFQ #286) was issued to thirty-five (35) firms and fourteen (14) responses were received. The evaluation of responses was done in a two-step process. In step one, the firm’s qualifications statements were evaluated based on experience, resources, credentials and experience of assigned staff, relevant project experience, extent to which certified HUB, minority and/or veteran and women owned businesses are utilized, location of the firm’s office, the firm’s use of specialized consultants or available in-house resources for specialized services, the firm’s ability to complete services within System timelines and relevant references. In step two, the System conducted interviews with the highest-scoring firms for each project size and specialty category.

For general MEP services, the top ranked firms within each project size category are recommended for award. Firms were categorized by project size based on the number of staff resources reported by each firm. The selection of more than one firm according to project size will ensure availability of services as needed for upcoming projects minimizing delays in the process. The only firms responding to the specialty MEP services are recommended for award. Firms were categorized by specialty based on the expertise outlined in the qualifications.

The initial term of the award will be for two years beginning December 2013 with the option to renew for three additional one-year periods based upon mutual consent.

Fiscal Impact: Funds for these services are included in the proposed FY 2013-14 repair and replacement, operating, auxiliary and bond fund budgets. Funds for subsequent years will be included in future proposed budgets.

Staff Resource: Cindy Gilliam 832-813-6512
Request: Consideration of Approval to Purchase Ultrasound Machines for the Diagnostic Medical Sonography Program at LSC-CyFair

Chancellor’s Recommendation: That the Board of Trustees approves the purchase of two ultrasound machines for the Diagnostic Medical Sonography program at LSC-CyFair in the amount of $305,349 from Philips Healthcare, 3000 Minuteman Road, Andover, MA 01810.

Rationale: Laboratory instruction is imperative to the success of the sonography students. The purchase of this equipment will promote consistent classroom instruction and ease of training for students in the diagnostic medical lab. This equipment is in virtually every sonography and vascular department in Houston. The students must first master anatomy and scanning techniques in a classroom lab before attempting the procedures in the hospitals.

This purchase is in compliance with Texas Education Code §44.031. A Request for Proposals (RFP #275) was advertised and issued to seven (7) registered healthcare equipment vendors and seven responses were received. The award could not be based on low bid alone. Vendor proposals were evaluated based on cost, quality of equipment and vendor references, value-added options, extent to which certified minority and/or veteran and women owned businesses are utilized and long-term cost to the System. It is recommended to award the vendor with the highest evaluation score.

The recommended vendor’s product provides “pure wave technology” which allows for better imaging capabilities for all patient types and provides ease of instruction for both faculty and students. Philips is the only system that offers tissue aberration correction. This technology adjusts the speed of sound waves for better resolution.

The Phillips iU22 is very powerful and robust in its image quality and its standard offerings, and it is a machine commonly used in surrounding hospitals. Students will be more effective earlier at their clinical sites since they will be training with the same equipment that they will be utilizing upon graduation and entering the workforce.

The iU22 also provides greatly improved ergonomics for students and value-added features such as Carotid Intima Media Thickness (CIMT) measurement. This new methodology, which is included in the iU22 vascular package, helps to identify patients that are at increased risk for
cardiovascular events. The iU22, because of the increased clarity, high resolution, and depth of penetration, has the ability to visualize and actually measure the minute differences in the thickness of arterial blood vessels. The iU22 will further complement the training LSCS students receive by preparing them for this and other important breakthroughs in the use of ultrasound.

Included in the price are a one-year warranty and one day of on-site training.

**Fiscal Impact:** Funds for this purchase are included in approved FY 2013-14 operating budget for LSC-Cyfair.

**Staff Resource:** Audre Levy 281-290-3941
Request: Consideration of Approval of Investment Broker/Dealers for FY 2013-14

Chancellor’s Recommendation: That the Board of Trustees approves investment broker/dealers for FY 2013-14.

Rationale: The Public Funds Investment Act (PFIA) requires that the Board approves firms authorized to transact investment business with the System. In order to qualify and develop a list of recommended firms, a Request for Qualifications (RFQ #279) was sent to fifty-one (51) firms and ten (10) proposals were received. The firms were evaluated based on experience, services offered, experience serving public organizations in the State of Texas, portfolio references, quality of services, location, and extent to which certified HUB, minority and/or veteran or woman owned businesses are utilized.

Upon thorough review of each firm’s qualifications, the evaluation committee selected all ten firms to recommend for the System’s investment opportunities. See the attached recommended list of broker/dealers.

The list of recommended vendors will be in effect for one year. Annually, for the next two years, the RFQ will be opened to accept additional firms’ qualifications and the pool of qualified firms will be evaluated and a new list of investment broker/dealers will be recommended to the Board for approval.

In compliance with System policy and state law, each firm has been provided a copy of the System’s investment policy. The System will complete the certification process for each of the recommended broker/dealers documenting their understanding of the PFIA and the suitability of investments according to the System’s investment policy.

Fiscal Impact: None

Staff Resource: Cindy Gilliam 832-813-6512
Wells Fargo Securities, LLC
Mr. Charles (Chuck) Landry
1445 Ross Avenue, Suite 210
Dallas, TX 75202
800.937.0998
214.777.4018
Chuck.landry@wellsfargo.com

UBS Financial Services/Paine Webber
Mr. Richard Ebert
First Vice President Investments
10001 Woodloch Forest Drive, Suite 100
The Woodlands, TX 77380
281.362.6340
855.730.4014 Fax
richard.ebert@ubs.com

Rice Financial Products Co.
Ms. Carol Mackoff
Managing Director
208 S. LaSalle St., Ste. 1666
Chicago, IL 60604
877.855.2739
carol.mackoff@ricefin.com

Coastal Securities
Tony Sekaly
555 San Felipe St., Ste 2200
Houston, TX 77056-2725
800.681.4121
tony.sekaly@coastalsecurities.com

Piper Jaffray & Co.
Kristi Gruber
1100 Louisianan St., Ste 4425
Houston, TX 77002
713.343.3525
kristi.k.gruber@pjc.com

Multi-Bank Securities, Inc.
Mr. Luigi E. Mancini
1000 Town Center, Suite 2300
Southfield, MI 48075
866.394.0236
lmancini@mbssecurities.com

Great Pacific Securities
Mr. Christopher Vinck
President
151 Kalmus Drive, Suite H8
Costa Mesa, CA 92626
714.619.3015
cvinck@greatpac.com

Mutual Securities, Inc.
Mr. Michael E. Swan
501 W. Broadway, Suite 800
San Diego, CA 92101
619.400.4817
mike.swan@mutualsecurities.com

FTN Financial Capital Markets
Mr. Taylor Howell
Vice President
845 Crossover Lane, Suite 150
Memphis, TN 38117
866.668.2958
Taylor.Howell@ftnfinancial.com

Oppenheimer & Co. Inc.
Paul Sullivan
Executive Director, Investments
85 Broad Street
New York, NY 10004
612.337.2715
612.337.0085 Fax
paul.sullivan@opco.com
Financial Report and Consideration No. 10 (ACTION ITEM 12)  Board Meeting 12-5-13

Request: Consideration of Approval to Purchase Deliverables Based Information Technology Services for the System

Chancellor’s Recommendation: That the Board of Trustees approves the purchase of deliverables based information technology services from the firms identified below for a total amount not to exceed $5,000,000 over a period of five years. In addition, authorizes the Chancellor or designee to negotiate and execute the specific project scope of work agreements.

<table>
<thead>
<tr>
<th>Name</th>
<th>Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oracle Corporation</td>
<td>Two Allen Center 1200 Smith Street Houston, TX 77002</td>
</tr>
<tr>
<td>Dba: Oracle America, Inc.</td>
<td></td>
</tr>
<tr>
<td>ERP Analysts, Inc.</td>
<td>425 Metro Place N, Suite 510 Dublin, OH 43017</td>
</tr>
<tr>
<td>Io Consulting, Inc.</td>
<td>26893 Bouquet Canyon Road, Suite C, #293 Saugus, CA 91350</td>
</tr>
<tr>
<td>Precision Task Group, Inc.</td>
<td>9801 Westheimer, Suite 803 Houston, TX 77042</td>
</tr>
<tr>
<td>Dimension Systems, Inc.</td>
<td>28525 Orchard Lake Road Farmington Hills, MI 48334</td>
</tr>
<tr>
<td>GNC Consulting, Inc.</td>
<td>21195 S. LaGrange Road Frankfort, IL 60423</td>
</tr>
<tr>
<td>Tunabear, Inc.</td>
<td>6420 Dykes Way Dallas, TX 75230</td>
</tr>
</tbody>
</table>

Rationale: Deliverables based information technology services include application support, development, upgrades and implementation of new functionality, and are required to provide timely assistance and support to faculty, staff and students for the Oracle PeopleSoft Enterprise Resource Planning System (ERP). The selection of Oracle certified value added consultants enables the System to minimize the amount of time and effort to implement solutions to system issues, determine feasibility of fixes, maximize applications and ensure efficient ongoing maintenance and operations required to sustain Lone Star College System’s investment in Oracle PeopleSoft.

In compliance with the provisions of Texas Education Code 44.031 (a), a Request for Proposal (RFP #282) was publicly advertised and issued to thirty-one (31) registered bidders and seven (7) responses were received. Upon review and evaluation of the proposals, the decision was made to award all seven firms master consulting agreements because of the firms’ varied skills, expertise and cost structure. The firms understand that the services under these master consulting agreements are on a non-exclusive basis and LSCS provides no guarantee that the firm will be awarded services under a scope of work agreement. This approach will add value to the
System by containing the cost and increasing expediency to the Office of Technology Services in meeting the System’s needs.

As required consulting services are identified by LSCS, a request for quote will be made from two or more firms for the specific services. Should the firm’s quote be selected for the project, the parties will enter into a fully executed scope of work agreement before the work commences. Consulting services with an estimated cost of $50,000 up to $500,000 will require quotes from three vendors based on the skills set required. Purchases with an estimated cost below $50,000 will require quotes from two vendors based on the skills set required. Services over $500,000 will be presented individually to the Board for approval.

The initial term of the contract will be three years with an option to renew for an additional two one-year periods. Either party may terminate the agreement with 30 days written notice.

**Fiscal Impact:** Funds for this purchase are included in the approved FY 2013-14 budgets. Funds for subsequent fiscal years will be included in future proposed budgets.

**Staff Resource:** Link Alander 832-813-6832
Financial Report and Consideration No. 11  (ACTION ITEM 13)  Board Meeting 12-5-13

Request:  Consideration of Approval to Purchase Communication Equipment for the LSCS Police Department

Chancellor’s Recommendation:  That the Board of Trustees approves the purchase of digital police dispatch and radio equipment from Motorola Solutions, 7840 N. Sam Houston Parkway West, Suite 300, Houston, Texas 77064, in the amount of $363,265. In addition, approves the estimated cost ($4,000) of installing the radios in police units for a total not to exceed amount of $368,000 for this purchase.

Rationale:  Currently all System police dispatch and handheld/vehicle radios operate on the Harris County Radio System using an analog 800 signal. Within the next year all public safety radio systems in Harris and Montgomery counties will be forced to adopt the new UHF/700 digital signal format. This fundamental change will render most of the System’s current radios obsolete as they cannot be reprogrammed to the new 700 digital format. The migration to digital technology will greatly improve police radio communication especially for the System’s west side campuses which include LSC-CyFair, LSC-Tomball, LSC-University Park and the affiliated centers. The System’s radio communications will also migrate from the Harris County Radio System to the Houston Public Safety Radio System.

This purchase will consist of a Motorola IP 5000 Dispatch unit and support equipment including installation, 80 portable subscriber radios with accessories, and 20 mobile dual band and three mobile single band vehicle subscriber radios including the future installation of these radios in police units.

This purchase is in compliance with Texas Education Code 44.031 (a, 4) which allows the use of interlocal contracts. This purchase will be made through the System’s interlocal contract with the Houston Galveston Area Council (HGAC) Purchasing Cooperative, specifically contract #RA05-12 and the awarded vendor, Motorola Solutions.

Fiscal Impact:  Funds for this purchase are available from the Revenue Financing System Bonds, Series 2013B.

Staff Resource:  Rand Key 832-813-6522
Report: Construction Projects Update

The District’s Facilities Planning and Construction Department has provided a summary report of the District’s construction projects. See attached report.
2012 Revenue Bond Project Summary

- **LSC-University Park - Energy and Manufacturing Institute (EMI) Building**
  - The building shell is nearing completion and the glazing installation is currently underway. Interior partition and drywall work has begun. Installation of the overhead utilities is nearing completion. Substantial completion is scheduled for March 2014.

2013 Revenue Bond Project Summary

- **LSC-Tomball - Drill Rig Site Acquisition**
  - The phase I environmental due diligence assessment has been completed and the phase II assessment is underway. Closing on the property is targeted for late December or early January.

- **LSC-Creekside Satellite Center**
  - An architectural design team and general contractor recommendation will be made at the December Board meeting.

- **LSC-Fairbanks Center - Parking Garage Addition**
  - The schematic design of the new parking garage has been completed and a general contractor recommendation will be made at the December Board meeting.

- **LSC-Kingwood - Fitness Center HVAC Renovation**
  - The engineering design has been completed. Construction service request for proposals have been received and are being evaluated.

- **LSC-University Park – Chiller Replacement**
  - An engineering study is currently underway to determine the full scope of the necessary central plant equipment improvements.

- **LSC-North Harris – Science Labs Renovation**
  - An architectural design team recommendation will be made at the December Board meeting.
Request: Consideration of Ratification of Appointments.

Chancellor’s Recommendation: That the contractual appointments listed on the following pages be ratified for the positions indicated.

Rationale: These contractual appointments include ratification of Administrators and Faculty from the LSC-System Office and LSC-Tomball.

Fiscal Impact: Positions and salaries have been budgeted for 2012-2013.

Staff Resource: Rand Key 832-813-6522
a. LSC- System Office

Longin Gogu, Director, Enterprise Resource Planning
Effective: 12 month contracted employee at an annual salary of $110,000 beginning October 15, 2013

Education: M.B.A., Management Information Systems, B.S., Business Administration, University of New Orleans

Experience: Director, Office of Enrollment Management Technology, Functional Project Manager, Oracle/PeopleSoft Campus Solutions, Associate Director, Operations and Technology, Office of Undergraduate Admissions, San Francisco State University; Assistant Director of Admissions and Data Management, Coordinator of Admission Data Management, University of New Orleans

b. LSC- Tomball

Cynthia Galvan, Assistant Professor, Biology
Effective: 10.5 month contracted employee at an annual salary of $58,358 beginning August 27, 2013

Education: Ph.D., Neuroscience, Baylor College of Medicine; B.S., Biology, University of Texas at San Antonio

Experience: Adjunct Professor, Anatomy & Physiology, LSC-CyFair
Request: Consideration of Resignations

Chancellor’s Recommendation: That the resignations listed below be accepted and acknowledged.

**LSC-North Harris**
Krystal L. Woolery, Assistant Professor, Emergency Medicine
Effective October 26, 2013

**LSC-Montgomery**
James V. Taylor, Vice-President, Administrative Services
Effective October 8, 2013

Staff Resource: Rand Key 832-813-6522
Personnel Report and Consideration No. 3  (ACTION ITEM 16)  Board Meeting 12-5-13

Request: Consideration of Approval of Commissioning of Peace Officers

Chancellor’s Recommendation: That the Board of Trustees approves the commissioning of the following peace officer for the Lone Star College System.

Lone Star College–Montgomery
Michael K. Hamm

Rationale: This officer is eligible to be commissioned by this Board because he:
1. Has a current license from the Texas Commission on Law Enforcement Officer Standards and Education;
2. Has taken and filed the oath required of peace officers; and
3. Possesses a sufficient number of college credit hours to meet the minimum standard for a Lone Star College System peace officer.

Fiscal Impact: None

Staff Resource: Rand Key  832-813-6522