

**MEETING OF THE
BOARD GOVERNANCE COMMITTEE
OF THE BOARD OF TRUSTEES
HOUSTON COMMUNITY COLLEGE**

August 14, 2014

Minutes

The Board Governance Committee of the Board of Trustees of Houston Community College held a meeting on Thursday, August 14, 2014, at the HCC Administration Building, 2nd Floor, 3100 Main in Seminar Room B, Houston, Texas.

MEMBERS PRESENT

Zeph Capo, *Committee Chair*
Robert Glaser, *Committee Member*
Sandie Mullins, *Committee Member*
Eva Loreda, *Alternate Committee Member*
Carroll G. Robinson
Adriana Tamez
David B. Wilson

ADMINISTRATION

Cesar Maldonado, Chancellor
E. Ashley Smith, Acting General Counsel
Shantay Grays, Chief of Staff
William Carter, Vice Chancellor, Information Technology
Thomas Estes, Vice Chancellor, Special Projects and Bond Program
Zachary Hodges, Acting Vice Chancellor, Academic Affairs
Diana Pino, Vice Chancellor, Student Services
Teri Zamora, Vice Chancellor, Finance and Planning
Fred Zeidman, Vice Chancellor, Institutional Advancement
Margaret Ford Fisher, President, Northeast College
Fena Garza, President, Southwest College
William Harmon, President, Central College
Butch Herod, Acting President, Northwest College
Irene Porcarello, President, Southeast College
Betty Young, President, Coleman College
Janet May, Chief Human Resources Officer
Remmele Young, Associate Vice Chancellor, Governmental and External Relations

OTHERS PRESENT

Derrick Mitchell, Board Counsel, Bracewell & Giuliani
Ava Cosey, President, COPA
Other administrators, citizens and representatives from the news media

CALL TO ORDER

Mr. Zeph Capo, Committee Chair, called the meeting to order at 2:13 p.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, Tamez and Wilson)

CONSIDER WAIVER OF CONFLICT OF INTEREST

Motion – Ms. Mullins moved and Mr. Glaser seconded.

Dr. Cesar Maldonado noted that the attorneys on the project represent HCC and HISD and that HISD has approved the waiver of conflict of interest for their attorney.

Mr. Capo inquired of the amendments and the need for the waiver. Dr. Maldonado informed the issue is the change in the lease.

Vote – The motion passed with a vote of 3-0.

PROPOSED REVISION TO BOARD POLICY B.1.5.4-SIGNATURE AUTHORITY

Motion – Mr. Glaser motioned and Ms. Mullins seconded.

Dr. Maldonado apprised that the request is to move the current signature authority from \$50,000 to \$75,000. He noted that prior the authority was \$100,000.

Mr. Robinson informed that he voted to lower the signature authority due to his request to track all contracts. He informed that the Office of General Counsel needs to review all contracts before signing.

Ms. Loredo apprised that the limitation was due to the chancellor vacancy and noted that the Board wanted to track spending.

Vote – The motion passed with a vote of 3-0.

**PROPOSED REVISION TO BOARD POLICY B.2.3.3-CONSTRUCTION
MANAGEMENT REGARDING CHANGE ORDERS**

Motion – Mr. Glaser motioned and Ms. Mullins seconded.

Mr. Derrick Mitchell noted that this is consistent with the Chancellor's signature authority.

Mr. Robinson informed that change orders are a sensitive issue. He asked Dr. Maldonado to be conscientious when signing change orders.

Ms. Mullins expressed concern regarding change orders for the Capital Improvement Plan (CIP). She requested a report on the items. Dr. Maldonado apprised that there is a status regarding change orders included in the monthly administrative report.

Dr. Maldonado noted that a CIP workshop will be held in September to provide a more detailed discussion to the Board.

Mr. Robinson inquired if the reports are presented to the construction auditors and to the Audit Committee. He requested the minutes be reviewed to verify the process that was discussed.

Mr. Wilson inquired if there will be change orders with Construction Manager at Risk (CMAR). Mr. Mitchell informed that the action covers all change orders. Dr. Maldonado apprised that the Board will be presented with the recommended budget for each project.

Mr. Capo informed that he is interested in the incidents not just the dollar amount.

Vote - The motion passed with a vote of 3-0.

NEW POLICY TO REQUIRE VENDORS TO CERTIFY NON-DISCRIMINATE ACTION AGAINST LGBT MEMBERS IN HIRING

Motion – Mr. Glaser motioned and Mr. Capo seconded.

Mr. Mitchell informed that a policy exists; however, this policy is specific to the vendor.

Mr. Robinson informed that he supports the item and wants to ensure the policy complies with the Supreme Court decision.

Vote – The motioned passed with a vote of 3-0.

DISCUSS PREVAILING WAGE AND BENEFITS POLICY REGARDING CONTRACTS

Mr. Mitchell provided a report on the Attorney General's opinion regarding requiring a vendor to utilize prevailing wage. He apprised that the solicitation could not be based on prevailing wages; however, it can be brought to the table during the negotiations.

Mr. Capo noted that he questions if the opinion is challengeable. He informed that the effort is to compete on business models, efficiencies and products not on the wages.

Mr. Robinson inquired if statutory authority overrides the Attorney General's ruling. Mr. Mitchell clarified that the opinion states that an RFP cannot require prevailing wages; however, once a vendor is selected, the negotiation process allows for bringing pay to the table.

Ms. Loreda recommended hiring directly, which allows the college to control the wages.

Mr. Capo requested a comparison of the contracted amount and the cost to keep services in-house. He apprised that he is not interested in supporting companies where the savings are realized from underpaying employees.

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Mr. Robinson noted that tracking contracts will help determine which contracts require solicitation, the appropriate procurement method and which contracts will provide the best opportunity for a prevailing wage standard.

Mr. Capo inquired if it is possible to set a floor based on market and benefit cost. Dr. Maldonado informed that once a RFP is awarded, then negotiations with the best responder can include the requirement to meet the prevailing wage standard and if not successful, then begin negotiations with the second best responder.

Ms. Mullins expressed concern with a process that negotiates price at the back-end. Mr. Mitchell apprised that price cannot be negotiated with an RFP.

Mr. Wilson reminded that the number one priority is to protect the assets of the Board and do what is best for the college.

Ms. Mullins noted that she does support outsourcing but would like to be educated on what the services should cost and the cost for the services to be in-house.

Dr. Tamez informed she supports creating a culture that improves the quality of life by hiring people and treating them fairly.

(Mr. Robinson stepped out at 2:53 p.m. and returned at 2:54 p.m.)

Dr. Maldonado apprised that it is not possible to tabulate what the cost should be. He noted that actuaries would be required and the proposers would have to open their financial records.

Mr. Robinson informed that a structured process to include bid bonds needs to be developed to ensure a minimum level of protection. He apprised that the effort of the Board is to express their desire and then administration needs to figure out the best processes to accomplish.

Ms. Loreda informed that an evaluation needs to be conducted and noted that the request is to treat everyone fairly.

BOARD EXPENDITURE REPORT FOR FISCAL YEAR 2013-2014

Mr. Capo apprised the item is the semi-annual Trustee travel and community funds report.

ADJOURNMENT

With no further business coming before the Board, the meeting adjourned at 3:07 p.m.

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

Minutes Approved as Submitted: September 18, 2014