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CONSENT AGENDA**

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November 20-21, 2024
Austin, Texas

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ADDITIONAL CONSENT AGENDA ITEM

ACADEMIC AFFAIRS COMMITTEE

60. Lease - U. T. Austin : Authorization to enter into a ground lease and related agreements with an entity owned or controlled by H2O Innovation, Inc., as successor to NextEra Energy Resources, LLC, for the construction, operation, and maintenance of a water reclamation and reuse facility and the processing and purchase of reclaimed water on a portion of U. T. Austin's main campus located north of Dean Keaton Street and between San Jacinto Blvd and Speedway, directly south of Chilling Station #5, 2610 San Jacinto Blvd, Austin, Travis County, Texas, and authorization to purchase reclaimed water throughout the ground lease term and to purchase the improvements at any time during the ground lease term; and finding of public purpose	221
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MEETING OF THE BOARD

1. Minutes - U. T. System Board of Regents: Approval of Minutes of the regular meeting held August 21-22, 2024; and the special called meeting held August 5, 2024
2. Resolution - U. T. System Board of Regents: Adoption of resolution regarding the list of Key Management Personnel authorized to negotiate, execute, and administer classified government contracts (Managerial Group)

To comply with the Department of Defense National Industrial Security Program Operating Manual (NISPOM) requirements, it is recommended that the Board of Regents approve the revised resolution set forth below regarding exclusion of individuals from the list of Key Management Personnel (KMP) authorized to negotiate, execute, and administer classified government contracts. The revisions reflect the appointment of a new Executive Director of Police, as well as the recent retirement of the U. T. Austin Provost and the transition of the Army Futures Command Director to a new position.

A Resolution amending the Managerial Group list was last adopted by the Board of Regents on August 22, 2024.

NISPOM defines KMP as "all entity officials who either hold majority interest or stock in, or have direct or indirect authority to influence or decide issues affecting the management or operations of, the entity or classified contract performance." The Manual requires that the Senior Management Official (SMO), Facility Security Officer (FSO), and the Insider Threat Program Senior Official (ITPSO) must always be designated as part of the Managerial Group and be cleared at the level of the Facility Clearance. Other officials or KMPs, as determined by the Defense Counterintelligence and Security Agency (DCSA), must be granted Personal Security Clearances or be formally excluded by name from access to classified material.

RESOLUTION

BE IT RESOLVED:

- a. That those persons occupying the following positions at The University of Texas System and The University of Texas at Austin shall be known as the Managerial Group, having the authority and responsibility for the negotiation, execution, and administration of Department of Defense (DoD) or User Agency contracts, as described in 32 CFR Part 117, "National Industrial Security Program Operating Manual" (NISPOM):

James B. Milliken, J.D., Chancellor, The University of Texas System
Jay Hartzell, Ph.D., President, The University of Texas at Austin
~~Sharon L. Wood, Ph.D., Provost, The University of Texas at Austin~~
Daniel T. Jaffe, Ph.D., Vice President for Research, The University of Texas
at Austin
~~Seth J. Wilk, Army Futures Command Director, The University of Texas~~
at Austin

Francis J. Landry III, Facility Security Officer (FSO), The University of Texas System/Security Manager, Applied Research Labs, The University of Texas at Austin

Patrick H. Vetter, Insider Threat Program Senior Official (ITPSO), The University of Texas System/Assistant Security Director, Applied Research Labs, The University of Texas at Austin

Brandon H. Norwat, Associate Director, Science and Security, The University of Texas at Austin

James R. (Trey) Atchley III, Chief Inquiry Officer and Chief Research Security Officer, The University of Texas System

George E. Finney, Chief Information Security Officer, The University of Texas System

Michael J. Parks, Executive Director of Police, The University of Texas System

The Chief Executive Officer (i.e., the Chancellor) is the highest ranking member of the Managerial Group. The Chancellor and the members of the Managerial Group have been processed, or will be processed, for a personnel security clearance for access to classified information to the level of the facility security clearance granted to this institution, as provided for in the NISPOM.

The Managerial Group is hereby delegated all of the Board's duties and responsibilities pertaining to the protection of classified information under classified contracts of the DoD or User Agencies of the NISPOM awarded to U. T. System, including U. T. Austin.

- b. That the following named members of the U. T. System Board of Regents shall not require, shall not have, and can be effectively excluded from access to all classified information in the possession of U. T. System, including U. T. Austin, and do not occupy positions that would enable them to affect adversely the policies and practices of the U. T. System, including U. T. Austin, in the performance of classified contracts for the Department of Defense or User Agencies of the NISPOM awarded to the U. T. System, including U. T. Austin, and need not be processed for a personnel security clearance:

Members of the U. T. System Board of Regents:

Kevin P. Eltife, Chairman

Janiece Longoria, Vice Chairman

James C. "Rad" Weaver, Vice Chairman

Christina Melton Crain

Robert Paul Gauntt

Jodie Lee Jiles

Nolan E. Perez, M.D.

Stuart W. Stedman

Kelcy L. Warren

Anthony John Dragun, Student Regent from June 1, 2024 to May 31, 2025 (nonvoting)

AUDIT, COMPLIANCE, AND RISK MANAGEMENT COMMITTEE

3. Contract (funds going out) - U. T. System: Clean Harbors Environmental Services, Inc., to provide Medical Waste Disposal services for U. T. System and all U. T. institutions

Agency: Clean Harbors Environmental Services, Inc.

Funds: To be paid by U. T. System or the U. T. institutions that request services under this Agreement. Services under this Agreement may be requested by U. T. System or any U. T. institution; therefore, it is possible the value may exceed \$3,000,000 over the potential five-year term.

Period: September 1, 2024 through August 31, 2029

Description: This nonexclusive Systemwide Agreement allows U. T. System and each U. T. institution to request the Contractor to collect, handle, transport, and dispose of medical waste.

This Agreement was competitively bid.

4. Contract (funds going out) - U. T. System: Lone Star Hazmat Response, LLC, to provide Spill and Emergency Response services for U. T. System and all U. T. institutions

Agency: Lone Star Hazmat Response, LLC

Funds: To be paid by U. T. System or the U. T. institutions that request services under this Agreement. Services under this Agreement may be requested by U. T. System or any U. T. institution; therefore, it is possible the value may exceed \$3,000,000 over the potential five-year term.

Period: September 1, 2024 through August 31, 2027; with one additional two-year renewal option

Description: This nonexclusive Systemwide Agreement allows U. T. System and each U. T. institution to request the Contractor to provide spill and emergency response services.

This Agreement was competitively bid.

5. Contract (funds going out) - U. T. System: Stericycle, Inc., to provide Medical Waste Disposal services for U. T. System and all U. T. institutions

Agency: Stericycle, Inc.

Funds: To be paid by U. T. System or the U. T. institutions that request services under this Agreement. Services under this Agreement may be requested by U. T. System or any U. T. institution; therefore, it is possible the value may exceed \$3,000,000 over the potential five-year term.

Period: September 1, 2024 through August 31, 2029

Description: This nonexclusive Systemwide Agreement allows U. T. System and each U. T. institution to request the Contractor to collect, handle, transport, and dispose of medical waste.

This Agreement was competitively bid.

FINANCE AND PLANNING COMMITTEE

6. Other Fiscal Matters - U. T. System: 2024 Group Purchasing Organization (GPO) Accreditation Program Results

On February 11, 2016, the Board of Regents approved a Group Purchasing Organization (GPO) Accreditation Program. The Program is designed to ensure that U. T. institutions utilize contracts offered by GPOs, including Texas state agencies performing GPO functions, only if the GPOs use sourcing processes accredited by U. T. System as meeting minimum procurement standards. The approval delegated authority to the Executive Vice Chancellor for Business Affairs to determine whether any applicant for accreditation meets such standards. Results from previous years of operation of the Program were reported to the Board of Regents at the August 25, 2016; August 24, 2017; November 15, 2018; November 14, 2019; November 19, 2020; November 17, 2022; and November 15, 2023 meetings.

Two new applications for accreditation were submitted in 2024. Neither applicant was accredited. The institution that nominated Valify for accreditation withdrew its nomination before the accreditation process was completed. The other applicant, The Interlocal Purchasing System (TIPS), was not accredited at this point, although the Executive Vice Chancellor for Business Affairs approved the continued use of TIPS solely by the nominating institution, Stephen F. Austin State University through FY 2025, while a further investigation into how best to meet Stephen F. Austin's procurement needs is conducted.

Also, in line with Program procedures, formal compliance reviews of GPOs previously accredited were conducted in 2024. All of the GPOs were found to be in compliance, and their accreditations will be continued.

As a result, the following GPOs remain accredited:

- The University of Texas System Supply Chain Alliance
- Choice Partners National Purchasing Cooperative
- E&I Cooperative Services, Inc.
- Education Service Center - Region 19 (Allied States Cooperative)
- The Local Government Purchasing Cooperative, dba BuyBoard
- Sourcewell, formerly known as National Joint Powers Alliance (NJPA)
- Vizient, Inc.
- Texas Comptroller of Public Accounts (Statewide Procurement Division) (TPASS/TXMAS)
- Texas Department of Information Resources (DIR)

All accreditations will expire August 31, 2026, unless terminated earlier under U. T. System procedures.

ACADEMIC AFFAIRS COMMITTEE

7. Contract (funds going out) - U. T. Arlington: Aspen Systems, Inc., to provide Graphics Processing Unit (GPU) Cluster Blanket Order

Agency: Aspen Systems, Inc.

Funds: Fee cap of \$5,500,000 over life of contract

Period: June 1, 2024 through May 31, 2025; with three one-year renewal options

Description: U. T. Arlington will purchase an initial Graphics Processing Unit (GPU) Cluster for faculty researchers to consolidate certain research data into a system that allows for future growth. Under this Agreement, U. T. Arlington may issue additional orders for future build-out of the GPU Cluster. These servers will be configured in a manner allowing them to integrate into a growing research computing cluster.

This contract was competitively procured.

8. Contract (funds going out) - U. T. Arlington: Amendment to Agreement with Atlas Injection, LLC, to provide parking lot and street paving

Agency: Atlas Injection, LLC

Funds Fee cap of \$15,000,000 over the life of the contract

Period: August 1, 2024 through April 30, 2026; with eight one-year renewal options

Description: Atlas Injection, LLC, will provide parking lot and street paving on an as-needed basis. Funds will be spent on a per project basis, based on the size and type of paving requested. This is one of multiple companies to contract with U. T. Arlington for these services to ensure coverage if multiple projects are required at once.

The \$1,000,000 fee cap listed in the initial agreement was within the institution's delegated approval threshold, but was incorrect. This First Amendment corrects the fee cap.

This contract was competitively procured.

9. Contract (funds going out) - U. T. Arlington: Amendment to Agreement with Pavement Services Corporation to provide parking lot and street paving

Agency: Pavement Services Corporation

Funds: Fee cap of \$15,000,000 over the life of the contract

Period: August 1, 2024 through April 30, 2026; with eight one-year renewal options

Description: Pavement Services Corporation will provide parking lot and street paving on an as-needed basis. Funds will be spent on a per project basis, based on the size and type of paving requested. This is one of multiple companies to contract with U. T. Arlington for these services to ensure coverage if multiple projects are required at once.

The \$4,000,000 fee cap listed in the initial Agreement was incorrect. This First Amendment corrects the fee cap.

This contract was competitively procured.

10. Request for Budget Change - U. T. Arlington: Tenure Appointments -- amendment to the FY 2025 budget

The following Requests for Budget Change (RBC) have been administratively approved by the Chancellor and the Executive Vice Chancellor for Academic Affairs and are recommended for approval by the U. T. System Board of Regents:

<u>College, Department, and Name</u>	<u>From</u>	<u>To</u>	<u>RBC #</u>
College of Architecture, Planning and Public Affairs			
Architecture			
David Franco	New Hire	Associate Professor (T)	13307
College of Engineering			
Electrical Engineering			
Hongtei Tseng	New Hire	Professor (T)	13309
Industrial, Manufacturing, and Systems Engineering			
Sampson Gholston	New Hire	Professor (T)	13308
Kwok Tsui	New Hire	Professor (T)	13310
College of Liberal Arts			
Sociology and Anthropology			
Steven Arxer	New Hire	Professor (T)	13306

11. Contract (funds coming in) - U. T. Austin: Interlocal Agreement with Ohio Department of Higher Education to provide literacy strategies and teacher services

Agency: Ohio Department of Higher Education

Funds: \$6,500,000

Period: September 1, 2024 through June 30, 2026

Description: Under the Agreement, U. T. Austin’s Meadows Center for Preventing Educational Risk will provide and evaluate teacher preparation and literacy strategies in regard to the science of reading. The Meadows Foundation was awarded the Agreement by the Ohio Department of Higher Education.

12. Contract (funds coming in) - U. T. Austin: Amendment to Agreement with Coca-Cola Southwest Beverages, LLC, to provide beverages for vending machines on campus

Agency: Coca-Cola Southwest Beverages, LLC

Funds: \$3,000,000

Period: January 1, 2025 through December 31, 2027

Description: Coca-Cola will continue to provide beverages for vending machines on campus, for which U. T. Austin will receive revenue. The initial Agreement was approved by the Board on November 9, 2017. The original term was September 1, 2017 through December 31, 2021; with two three-year renewal options. The First Amendment changed the prices on some of the items in the vending machines, which did not require Board approval. The Second Amendment provided an increase in product prices and was approved by the Board on August 20, 2020. The Third Amendment reduced rates to be paid by Coca-Cola due to the COVID-19 pandemic. The Fourth Amendment, which was approved by the Board on November 18, 2021, extended the term of the Agreement from January 1, 2022 through December 31, 2024, adjusted the pricing schedule on January 1, 2023, and reduced the annual payment through 2022 due to the pandemic. This Fifth Amendment extends the term through December 31, 2027, and increases the value of the Agreement from \$2,000,000 to \$3,000,000.

The initial Agreement was competitively procured by a Request for Proposal. Pursuant to *Texas Education Code* Section 51.945, students were provided an opportunity to comment prior to determination that this food service provider should be selected. Board approval for this Agreement is sought in accordance with *Texas Government Code* Section 2203.005(a) and The University of Texas Systemwide Policy UTS 130 pertaining to Vending Machine Contracts.

13. Contract (funds coming in) - U. T. Austin: Amendment to Professional Services Agreement with Seton Family of Doctors Gastroesophageal Reflux Disease (GERD) related to the provision of clinical and other related administrative services by physicians employed by U. T. Austin's Dell Medical School

Agency: Seton Family of Doctors

Funds: \$10,000,000 over the full contract term

Period: August 28, 2024 through September 30, 2025

Description: Under this Professional Services Agreement, U. T. Austin faculty-providers at Ascension clinics and facilities, along with Seton Family of Doctors, will continue the provision of inpatient, surgical, and clinical care of patients experiencing GERD. The initial Professional Services Agreement was effective October 1, 2020. The First Amendment was executed effective May 1, 2021, added additional providers to the Agreement, and increased the payments to U. T. Austin for professional services. The Second Amendment extended the term from September 1, 2023, to September 30, 2024, increased the contract value beyond institution's delegated authority threshold to \$5,675,000, and was approved by the Board on February 22, 2024. This Third Amendment updates the term of the Agreement to August 28, 2024 through September 30, 2025, and increases the value of the Agreement to \$10,000,000.

14. Contract (funds going out) - U. T. Austin: Agreement with All American Marine, Inc., for construction and purchase of 78-foot Teknicraft Catamaran by U. T. Austin's Marine Science Institute

Agency: All American Marine Inc.

Funds: \$8,000,000

Period: June 18, 2024 through May 1, 2027

Description: U. T. Austin's Marine Science Institute will contract with All American Marine, Inc., for the construction and purchase of a custom 78-foot research vessel that will suit the needs of faculty, scientists, and graduate students to conduct research expeditions. The procurement justification is an Exclusive Acquisition Justification.

15. Contract (funds going out) - U. T. Austin: Amendment to Agreement with Mydatt Services, Inc., dba Block by Block, to provide safety and beautification services to campus

Agency: Mydatt Services, Inc., dba Block by Block

Funds: \$6,059,099

Period: August 19, 2024 through July 31, 2025; with option of one one-year renewal

Description: Under the Agreement, Block by Block provides daily safety and beautification services to the West Campus part of the U. T. Community. Many U. T. Austin students live in the West Campus area and the University owns and manages numerous West Campus properties, including parking garages utilized by university employees.

The initial Agreement began July 3, 2023, had a value of \$3,224,000, and did not require Board approval. This First Amendment becomes effective August 19, 2024, and adds funds of \$2,835,099 to the Agreement, but does not change the end date.

The Agreement was procured through a Best Value Justification.

16. Contract (funds going out) - U. T. Austin: Amendment to Master Agreement with edX LLC, including mutual release of claims

Agency: edX LLC

Funds: Estimated \$2,500,000 to be paid by U. T. Austin to edX LLC, based on revenues earned by U. T. Austin through online Master's Degree Programs in Computer Science and Data Science for the Summer and Fall 2024 periods

Period: The payout period for the Summer and Fall 2024 periods will be in phases, starting in late 2024 and concluding in October 2025.

Description: The University of Texas System and edX LLC entered into a Master Agreement to facilitate the teaching of online education courses, including Massive Open Online Courses (MOOCs), by any University of Texas institution in October 2012. In October 2018, the parties amended the Agreement to allow institutions to offer through edX approved online Master's degree (OMD) programs. U. T. Austin elected to offer three such programs, including two programs in Computer Science and Data Science. The 2018 Amendment, which was approved by the Board on November 18, 2018, called for the U. T. institutions and edX to collaborate on the OMD offerings, with institutions providing subject matter, teaching, and content and edX providing marketing assistance and the learning platform.

Because of the changing nature of the OMD offering and edX's marketing and support services, including a shift from the edX learning platform to the Canvas learning platform offered by U. T. Austin, the parties have negotiated a Second Amendment to the Master Agreement updating the terms of U. T. Austin's OMD programs. The proposed terms allow U. T. Austin to separate its Computer Science and Data Science OMD programs from edX and to offer those courses itself, with no third party. In recognition of edX's marketing and support assistance during a transition period, U. T. Austin will share revenue from the two OMD programs over a specified period (Summer and Fall 2024), with payments spread out into 2025. Those amounts are less than what is called for in the 2018 Amendment, which would have U. T. Austin make transition payments over a three-year period. In addition, the parties have agreed to execute releases ensuring that neither party may pursue legal claims against the other relating to payments or claims that may be asserted with respect to their collaboration on the two OMD programs and any revenue sharing.

17. Contract (funds going out) - U. T. Austin: Amendment to Physician Services Agreement with Seton Family of Doctors related to the provision of medical, clinical, and other related administrative services by physicians employed by Seton Ascension

Agency: Seton Family of Doctors

Funds: \$10,000,000

Period: October 15, 2024 through October 15, 2026; with option to extend two additional one-year periods

Description: Under this Physician Services Agreement, U. T. Austin and Seton Family of Doctors collaborate to enhance the provision of quality medical services in the Central Texas area. The initial Agreement had a term of October 15, 2017 through October 15, 2022, and a total value of \$5,000,000. The First Amendment updated the terms of the Agreement allowing the possibility of automatic renewals through October 15, 2028. This Second Amendment updates the terms in a manner that eliminates automatic renewals and changes the term to end on October 15, 2026, with an option for two one-year renewals. In addition, the Second Amendment increases the total value of the Agreement to \$10,000,000.

18. Foreign Contract (funds going out) - U. T. Austin: Agreement with Monash University to provide 3D modeling services

Agency: Monash University, a public university in Australia

Funds: \$5,000

Period: December 1, 2024 through August 31, 2025

Description: Monash University will provide research services and materials related to 3D Modeling for the College of Liberal Arts studies. Under the Agreement, Monash will provide 3D models of plants and animals along with a fully developed 3D virtual reality environment that integrates the models with landscape topography.

19. Foreign Contract (funds going out) - U. T. Austin: Purchase Order with Wisco Gases Company LTD for purchase of xenon gas

Agency: Wisco Gases Company LTD, an entity of the Chinese government

Funds: \$37,275

Period: November 30, 2024

Description: U. T. Austin is seeking to issue a purchase order to buy research-grade xenon gas from Wisco. The gas will be utilized during research in Department of Physics laboratories. This Agreement was procured through a competitive bid process.

20. Request for Budget Change - U. T. Austin: Transfer \$47,206,607 from University Budget Council – UBC Commitments – Designated Funds, Allocation for Budget Adjustment and \$441,548 from Vice President for Business Affairs – Indirect Cost Income, Miscellaneous Income to Project Management and Controls System – Repair and Replacement: Program and Safety and Code – Allocated for Budget to confirm planned programs and projects to enable replacement or renewal of building assets, systems, and equipment necessary for facilities operations and to add operational life to educational and general spaces (RBC No. 13300) -- amendment to the FY 2024 budget

21. Request for Budget Change - U. T. Austin: Tenure Appointments -- amendment to the FY 2024 Budget

The following Requests for Budget Change (RBC) have been administratively approved by the Chancellor and the Executive Vice Chancellor for Academic Affairs and are recommended for approval by the U. T. System Board of Regents:

<u>College, Department, and Name</u>	<u>From</u>	<u>To</u>	<u>RBC #</u>
McCombs School of Business			
Management			
Metin Sengul	New Hire	Professor (T)	13294
College of Fine Arts			
Design			
Karol Murlak	New Hire	Professor (T)	13292
Jackson School of Geosciences			
Earth and Planetary Sciences			
Marek Locmelis	New Hire	Associate Professor (T)	13293
College of Natural Sciences			
Marine Science			
Kelly Dorgan	New Hire	Associate Professor (T)	13298
Xinping Hu	New Hire	Professor (T)	13296
Steve Hicks School of Social Work			
Social Work			
Danielle Parrish	New Hire	Professor (T)	13295

22. Request for Budget Change - U. T. Austin: Tenure Appointment -- amendment to the FY 2025 budget

The following Request for Budget Change (RBC) has been administratively approved by the Chancellor and the Executive Vice Chancellor for Academic Affairs and is recommended for approval by the U. T. System Board of Regents:

<u>College, Department, and Name</u>	<u>From</u>	<u>To</u>	<u>RBC #</u>
Jackson School of Geosciences			
Earth and Planetary Sciences			
Daniel Alessi	New Hire	Professor (T)	13297

23. Lease - U. T. Austin: Authorization to extend and amend the existing space lease to the Texas State Historical Association (TSHA) for the use of approximately 5,416 square feet of space located at a) 3001 Lake Austin Boulevard, and b) the West Pickle Research Center, in Austin, Travis County, Texas, for office and storage use in support of the institution's teaching, research, and publication opportunities regarding Texas history; and finding of public purpose

Description: Authorization to extend and amend the existing space lease agreement to the Texas State Historical Association (TSHA) for use of approximately 5,416 square feet of space located in U. T. Austin facilities at a) 3001 Lake Austin Boulevard, and b) the West Pickle Research Center, in Austin, Travis County, Texas, for office and storage use in support of the institution's teaching, research, and publication opportunities regarding Texas history; and finding of public purpose. The lease extension also reduces the leased premises area from 7,461 square feet. The Board made a finding of public purpose and approved the initial lease on February 12, 2015.

Lessee: Texas State Historical Association, a Texas nonprofit corporation

Term: The existing lease term expires on February 28, 2025. The extension term will commence March 1, 2025. The parties shall extend the lease term for up to 10 years in one-year increments, at the option of both the TSHA and U. T. Austin.

Consideration: Provided TSHA continues to meet requirements for the finding of public purpose as described below, TSHA shall pay an annual gross rent of \$100. Market rent and operating expenses foregone may approximate \$2,500,000 over the potential 10-year term of the lease extension.

Finding of Public Purpose: In furtherance of the aligned missions of U. T. Austin and TSHA to promote the appreciation, understanding, and teaching of the history of Texas and to encourage the research, preservation, and publication of historical materials regarding the state of Texas and the mutual benefits to be derived by each party, U. T. Austin and TSHA have agreed to amend and extend their existing Academic Affiliation Agreement. This Agreement may provide, among other matters, for the creation of public programs jointly with the institution for the benefit of students, faculty, and the broader U. T. Austin community; creating opportunities for paid research and programmatic involvement for the institution's students and faculty; and acknowledging U. T. Austin as co-sponsor and collaborator of TSHA work product as appropriate. The institution may continue to make monetary payments to TSHA, subject to available funds, as consideration for the TSHA's obligations.

The U. T. System Board of Regents is asked to find that:

1. As described above, the lease, Academic Affiliation Agreement, and any related agreements support the public mission of and serve a public purpose appropriate to the function of U. T. Austin;
2. the transaction will result in adequate consideration and benefits to U. T. Austin and the State of Texas; and
3. pursuant to the lease, which provides for either termination or an adjustment to market rent in the event that TSHA does not fulfill the public purpose, U. T. Austin will have sufficient safeguards in place to ensure the public purpose will continue to be met on an ongoing basis.

24. Request for Budget Change - **U. T. Dallas**: Tenure Appointments -- amendment to the FY 2025 budget

The following Requests for Budget Change (RBC) have been administratively approved by the Chancellor and the Executive Vice Chancellor for Academic Affairs and are recommended for approval by the U. T. System Board of Regents:

College, Department, and Name	From	To	RBC #
Erik Jonsson School of Engineering and Computer Science			
Mechanical Engineering			
Xinfang Jin	New Hire	Associate Professor (T)	13283
Edward B. White	New Hire	Professor (T)	13282
School of Natural Sciences and Mathematics			
Biological Sciences			
Tian Hong	New Hire	Associate Professor (T)	13284

25. Purchase - U. T. Dallas: Authorization to purchase approximately 5.25 acres of land improved with a vacant office building containing approximately 143,492 square feet of space with surface parking lot and a structured parking garage, located at 17787 Waterview Parkway, Dallas, Collin County, Texas, from CFT NV Developments, LLC, for future campus expansion; and resolution regarding parity debt

Description: Authorization to purchase approximately 5.25 acres of land improved with a vacant office building containing approximately 143,492 square feet of space with surface parking lot and a structured parking garage, located at 17787 Waterview Parkway, Dallas, Collin County, Texas, from CFT NV Developments, LLC, for future campus expansion; and resolution regarding parity debt.

The subject property was constructed in 1993 and consists of a five-story office building, surface parking, and a two-level parking deck. The property has parking ratio of approximately 3.28 spaces per 1,000 square feet of net rentable area, split between surface parking lots and parking deck totaling approximately 471 parking space. Portions of parking are accessed by an easement benefitting the subject property.

All the interiors are finished. Portions of the interiors are in usable condition, with some including modular office ready for use. U. T. Dallas plans to renovate portions of the space.

Use: The U. T. Dallas campus and the property are across the street from one another. The property will be used by the institution for campus expansion, initially for a combination of office and academic uses.

Seller: CFT NV Developments, LLC, a Nevada limited liability company, or related entities, successors, or assigns

Purchase Price: Not to exceed fair market value as determined by independent appraisal; appraisal confidential pursuant to *Texas Education Code* Section 51.951

Source of Funds: Revenue Financing System debt to be repaid out of institutional funds. The institution's Scorecard Rating of 2.4 at fiscal year-end 2023 is below the maximum threshold of 6.0 and demonstrates that the institution has the financial capacity to satisfy its direct obligations related to parity debt. In approving this item, the Board will be making the findings required under Section 5 of the Amended and Restated Master Resolution establishing the Revenue Financing System relating to the issuance of parity debt on behalf of U. T. Dallas in an aggregate amount not to exceed fair market value as established by independent appraisal, and this action satisfies the official intent requirements set forth in Section 1.150-2 of the *Code of Federal Regulations*.

26. Other Matters - U. T. El Paso: Formal approval to conclude negotiations and authorize execution of necessary documents for athletic conference membership in the Mountain West Conference (MWC)

The Chancellor, the Executive Vice Chancellor for Academic Affairs, and the Vice Chancellor and General Counsel support the request that the institutional president be delegated authority to conclude negotiations and execute necessary document(s) for membership in the Mountain West Conference (MWC) effective July 1, 2026.

The change in conference membership was reviewed in September 2024 following the process provided for certain time-sensitive athletics matters as allowed by Regents' *Rules and Regulations*, Rule 10501, Subsection 2.2.13, upon a determination of special circumstances. A ruling request is pending before the Texas Office of the Attorney General as to whether specific business and financial terms are subject to public disclosure under Section 552 of the *Texas Government Code*.

U. T. El Paso has determined that the MWC is geographically more suited to U. T. El Paso and will enhance the student-athlete experience with reduced travel time, renewed natural rivalries within the institution's primary recruiting base, in the western time zone. While there is a cost to change conferences, membership in the MWC will reduce travel expenses and very likely increase revenue from television contracts.

Full membership in the MWC when U. T. El Paso joins the conference will include the following institutions: the University of New Mexico; the University of Nevada Las Vegas; the University of the Nevada; San Jose State University; the University of Wyoming; the United States Air Force Academy; the University of Hawaii (football only membership as of October 7, 2024). Additional members may be added to the conference.

27. Interagency Agreement (funds coming in) - U. T. Permian Basin: Interagency Agreement between Texas Department of Transportation (TxDOT) and U. T. Permian Basin for construction of sidewalks and shared use path

Agency: Texas Department of Transportation

Funds: \$ 6,377,697

Period: November 2024 through December 2026

Description: The Advanced Funding Agreement (APA) formalizes this grant to be received by U. T. Permian Basin from TXDot for U. T. Permian Basin to construct a sidewalk and trails enhancement.

The scope of work for the project consists of the construction of portions of shared-use-path and portions of sidewalks around U. T. Permian Basin. The project will include crosswalks, ADA ramps, and lighting. The purpose is to provide infrastructure improvements that enhance safety for cyclists and pedestrians.

28. Lease - U. T. Rio Grande Valley: Authorization to amend and extend a lease of up to approximately 36,888 usable square feet of space located at 2106 Treasure Hills Boulevard, Harlingen, Cameron County, Texas, to the United States of America for a Veterans Affairs Outpatient Clinic

Description: U. T. Rio Grande Valley currently leases approximately 32,177 usable square feet of space at 2106 Treasure Hills Boulevard (identified as 2102 Treasure Hills Boulevard in the existing lease) in Harlingen, Cameron County, Texas, to the United States of America for a Veterans Affairs Outpatient Clinic.

Lessee: United States of America

Term: The term of the lease renewal will be for approximately four years and may give the Lessee the option to terminate the lease during the fourth year with approximately 90 days prior written notice to the Lessor.

Rental Amount: The rent and operating expenses are currently estimated to be approximately \$4,173,114 over the four-year renewal term for the 32,177 square foot premises. If the Lessee decides to lease the entire premises of 36,888 square feet, then the estimated rent to U. T. Rio Grande Valley may increase by approximately \$610,981.

The total estimated lease payments over the initial lease term and the proposed renewal term, if the Lessee decides to lease the entire premises of 36,888 are approximately \$15,063,869.

Background: There is no record of Board authorization for the initial lease with U. T. Health Science Center - San Antonio, which was effective October 19, 2007, and expired on October 18, 2022. Effective September 1, 2015, the Board of Regents combined assets and resources benefitting The University of Texas-Pan American and The University of Texas at Brownsville to form U. T. Rio Grande Valley. It was during this transition that the subject lease was transferred from U. T. Health Science Center - San Antonio to U. T. Rio Grande Valley.

U. T. Rio Grande Valley remeasured the premises and estimates that the actual area of the premises is approximately 36,888 usable square feet. The initial square footage of the lease was approximately 30,000 usable square feet and has increased in size as the Lessee has expanded its presence in the building over time. The Lessee has reduced its footprint to fit into 32,177 usable square feet until an amendment is executed by both parties to memorialize the difference in square footage.

On August 25, 2022, the Board authorized extension of the initial lease with U. T. Rio Grande Valley for three additional years, with rent and operating expenses estimated to be approximately \$31.00 per square foot or \$3,083,132 over the renewal term for the 32,177 square foot premises, or \$3,534,530 for the entire premises of 36,888 square feet. The total estimated lease payments over the initial lease term and the previously approved renewal term would have been approximately \$13,362,907. That lease extension was never finalized, and the Lessee has now requested that the lease be extended by four years, rather than the previously approved three years.

The proposed lease site is part of a larger parcel consisting of approximately 26.2 acres in two adjacent tracts that were gifted to the Board of Regents by Valley Baptist Memorial Center for the purposes of undergraduate and graduate medical education programs, health research, health education of the public, and other health professional education programs in the Lower Rio Grande Valley. Because of use restrictions in the gift deed, the institution is also seeking the consent of Valley Baptist Medical Center to the proposed lease.

29. Purchase - U. T. Rio Grande Valley: Authorization to purchase approximately 7.26 acres of land and improvements containing an approximately 55,816 square foot vacant commercial building and surface area parking lot(s), located within a retail center at 2222 South 77 Sunshine Strip, Harlingen, Cameron County, Texas, from Royce Carville, Janice Carville and UH-HT, LLC, for future campus expansion; and resolution regarding parity debt

Description: Purchase of approximately 7.26 acres of land and improvements containing an approximately 55,816 square foot vacant commercial building and surface area parking lot(s), located within a retail center at 2222 South 77 Sunshine Strip, Harlingen, Cameron County, Texas, from Royce Carville, Janice Carville and UH-HT, LLC. U. T. Rio Grande Valley intends to utilize the property for future campus expansion to include office and classroom space initially related to the doctoral program in physical therapy.

The property is a former one-story grocery store that has been adapted to office use. It is located approximately one half of a mile from U. T. Rio Grande Valley's medical campus located on Treasure Hills Boulevard.

The property is currently subject to restrictive covenants that unduly limit use, access, parking, and other rights. The parking for the property is shared with other owners within the development and parking is provided as common area for the entire project, including the subject property. Closing on the purchase of the property will be contingent upon U. T. Rio Grande Valley removing or modifying these restrictions to the satisfaction of the institution.

Seller: Royce Carville, Janice Carville and UH-HT, LLC, or related entities, successors, or assigns

Purchase Price: Not to exceed fair market value as determined by an independent appraisal; appraisal confidential pursuant to *Texas Education Code* Section 51.951

Source of Funds: Revenue Financing System debt to be repaid out of institutional funds. The institution's Scorecard Rating of 4.4 at fiscal year-end 2023 is below the maximum threshold of 6.0 and demonstrates that the institution has the financial capacity to satisfy its direct obligations related to parity debt. In approving this item, the Board will be making the findings required under Section 5 of the Amended and Restated Master Resolution establishing the Revenue Financing System relating to the issuance of parity debt on behalf of U. T. Rio Grande Valley in an aggregate amount not to exceed fair market value as established by independent appraisal and this action satisfies the official intent requirements set forth in Section 1.150-2 of the *Code of Federal Regulations*.

30. Request for Budget Change - U. T. San Antonio: Transfer \$6,500,000 from Designated Funds to Plant Funds for Park West infrastructure costs (RBC No. 13286) -- amendment to the FY 2024 budget

31. Lease - U. T. San Antonio: Authorization to lease approximately 8,788 rentable square feet of retail space located at 111 West Houston Street, San Antonio, Bexar County, Texas, from WUKDC 1, LP, for the relocation of the Institute of Texan Cultures

Description: Authorization to lease approximately 8,788 rentable square feet of retail space located on the first floor at 111 West Houston Street, San Antonio, Bexar County, Texas, from WUKDC 1, LP, for the relocation of the Institute of Texan Cultures (ITC)

Lessor: WUKDC 1, LP

Term: The term of the lease will be for approximately 60 months, which will commence on approximately January 1, 2025. Tenant will have early access to the premises to perform tenant improvements. Tenant will also have the option to further extend the term of the lease for two renewal periods of 12 months each at fair market rent. U. T. San Antonio plans for this space to house the ITC on an interim basis while the institution explores options for a long-term location for the ITC.

Lease Cost: Base Rent over the initial term will be approximately \$18.00 per square foot annually for year one, and then will increase by 3% annually thereafter.

The base rent for the potential renewal periods will be at the then determined fair market value. Lessee will be responsible for all operating expenses, which is initially estimated to be approximately \$20.65 per square foot. Assuming 3% annual operating expense increases, the operating expenses during the initial term are estimated to be approximately \$963,461 and the renewal periods are estimated to be approximately \$427,063. Lessee will be responsible to pay janitorial service, which cost is estimated to be approximately \$26,364 per year and may be paid directly to the janitorial provider for the Lessee's premises. Utilities are included in the operating expense estimates. Lessee will also be provided with approximately ten unreserved parking spaces, at an additional initial parking fee of approximately \$15,600 per year.

Tenant Improvements: In lieu of the Lessor providing a tenant improvement allowance, the rent was reduced accordingly. The institution will pay the cost of improvements for the premises, estimated to be approximately or \$570.00 per square foot, which is estimated to be approximately \$5,009,000 towards improvements to the leased space. The price per square foot is attributable to the unique requirements of the space to be built out to museum standards.

Total Cost: The total estimated lease expense over the initial lease term and potential renewal periods is approximately \$7,922,975, which includes estimated rent, estimated operating expenses, janitorial expenses, parking fees, and the proposed tenant improvement expense.

32. Request for Budget Change - U. T. Tyler: Tenure Appointment -- amendment to the FY 2025 budget

The following Request for Budget Change (RBC) has been administratively approved by the Chancellor and the Executive Vice Chancellor for Academic Affairs and is recommended for approval by the U. T. System Board of Regents:

<u>College, Department, and Name</u>	<u>From</u>	<u>To</u>	<u>RBC #</u>
School of Nursing			
Nursing			
Mandy Golman	New Hire	Professor (T)	13299

33. Lease - U. T. Tyler: Authorization to extend master lease term and increase number of apartment units from approximately 120 units currently leased by U. T. Tyler to approximately 484 units located at 3400 Varsity Drive, Tyler, Smith County, Texas, from Eden Tyler Co-Owner, LLC, and Humphress-Buckley Holdings, LLC, for mission purposes, including housing for students, staff, and employees

Description: Extend master lease term and increase number of apartment units from approximately 120 units currently leased by U. T. Tyler to approximately 484 units located at 3400 Varsity Drive, Tyler, Smith County, Texas, from Eden Tyler Co-Owner, LLC, and Humphress-Buckley Holdings, LLC, for mission purposes to include housing for students, staff, and employees.

Eden Tyler Co-Owner, LLC, and Humphress-Buckley Holdings, LLC, recently acquired the property, which consists of a 484-unit apartment community known as The Foundry next door to the campus and it includes the 120 units presently leased by U. T. Tyler. U. T. Tyler desires to lease all 484 units from the Lessor beginning in approximately August 2025.

The initial master lease for the 120 units did not require Board of Regents approval as the lease value was within the institution's delegated authority threshold; however, with the increase to 484 units review and approval is now requested.

Lessor: Eden Tyler Co-Owner, LLC, a Delaware limited liability company, and Humphress-Buckley Holdings, LLC, a Kentucky limited liability company or related entities, successors, or assigns

Term: The initial lease provided for a one-year term for the existing 120 units from August 1, 2023 through July 31, 2024, and included a one-year renewal option. An amendment to the 120-unit lease was implemented in 2024, which extended the lease for an additional year with a one-year renewal option.

The lease term for the 484 units is initially for a period of one year from August 1, 2025 through July 31, 2026, with an automatic one-year extension until July 31, 2027, unless the Lessee decides not to renew.

Right of First Refusal to Purchase: Lessee may be granted a Right of First Refusal to Purchase the property, which cost will not exceed Fair Market Value.

Lease Cost: Current rent for the 120 units is approximately \$1,017.50/month for a one-bedroom unit and \$1,402.50/month for a two-bedroom unit.

Estimated first year rental for the 484 units is approximately \$1,119.25/month for a one-bedroom unit and \$1,542.75/month for a two-bedroom unit, which combined with the current rent for the 120 units is approximately \$10,974,066 in total lease cost.

Inclusive of the one-year extension through July 31, 2027, the total estimated lease cost for this transaction for all 484 units is estimated to be approximately \$18,445,332.

HEALTH AFFAIRS COMMITTEE

34. Contract (funds coming in) - U. T. Southwestern Medical Center: To provide physician and other health services to Dallas County Hospital District, dba Parkland Health and Hospital System

Agency: Dallas County Hospital District, dba Parkland Health and Hospital System

Funds: \$296,967,792

Period: October 1, 2024 through September 30, 2025

Description: U. T. Southwestern Medical Center to provides physician and other health services to Parkland patients primarily at Parkland Memorial Hospital and other Parkland facilities. The services provided include professional medical services, including but not limited to Acute Emergent Dialysis, Anesthesiology, Pain Management, Medical Intensive Care (MICU), Emergency Medicine, Endocrinology, Global Diabetes Management, Hematology-Oncology, Hospitalists, Infectious Disease, Neurosurgery & Neurology-NCC, Obstetrics and Gynecology Emergency Services (OGES), Palliative Care, Psychiatry, Renal Transplant, Rheumatology, Surgical Intensive Care Unit, Surgical Oncology, Vascular Interventional Radiology, Surgery Transplant, Vascular Surgery, General Internal Medicine, Cardiovascular Services, and Radiation Oncology; and administrative services such as medical director services, residency administration, and supervision of advanced practice providers.

35. Contract (funds going out) - U. T. Southwestern Medical Center: Agreement for Services with Dallas Physician Medical Services for Children, Inc., to assist U. T. Southwestern Medical Center in managing and operating regional Child Psychiatry Access Network (CPAN) and Texas Child Health Access through Telemedicine (TCHAT) Programs

Agency: Dallas Physician Medical Services for Children, Inc.

Funds: \$10,636,052

Period: September 1, 2023 through August 31, 2025

Description: This is an Agreement for Services between Dallas Physician Medical Services for Children, Inc. (DPMSC) and U. T. Southwestern Medical Center wherein DPMSC will assist in managing and operating regional Child Psychiatry Access Network (CPAN) and Texas Child Health Access through Telemedicine (TCHAT) programs by providing program staffing and support (including but not limited to Behavioral Health Providers and various administrators) for program activities that occur at DPMSC. The Agreement was not competitively bid, but instead procured through an Exclusive Acquisition Justification. The contract is being brought forward for the Board approval as it is nearing the institution's \$5,000,000 delegated threshold.

36. Purchase - U. T. Southwestern Medical Center: Authorization to purchase approximately 2.18 acres of land with approximately 52,000 square feet of improvements, located at 1916, 1918, 1924, 1928, 1950, and 1968 Record Crossing Road, Dallas, Dallas County, Texas, from MPT of Dallas LTACH, L.P., for mission uses or future campus expansion

Description: Authorization to purchase approximately 2.18 acres of land with approximately 52,000 square feet of improvements located at 1916, 1918, 1924, 1928, 1950, and 1968 Record Crossing Road, Dallas, Dallas County, Texas, from MPT of Dallas LTACH, L.P., for mission uses or future campus expansion

Seller: MPT of Dallas LTACH, L.P., a Delaware limited partnership or related entities, successors, or assigns

Purchase Price: Not to exceed fair market value as determined by independent appraisal; appraisal confidential pursuant to *Texas Education Code* Section 51.951

37. Purchase - U. T. Southwestern Medical Center: Authorization to purchase approximately 7.31 acres of land and improvements, located at 5302 Harry Hines Boulevard, Dallas, Dallas County, Texas, from The Salvation Army, for future campus expansion

Description: Authorization to purchase approximately 7.31 acres of land and improvements, located at 5302 Harry Hines Boulevard, Dallas, Dallas County, Texas, from The Salvation Army, for future campus expansion, including mission uses.

The property is located across Harry Hines Boulevard adjacent to U. T. Southwestern Medical Center's main campus. Its location is conducive to collaboration with Parkland Hospital.

The property is improved with a residential service center operated by the Seller that the institution expects to demolish after the closing. The purchase contract calls for a delayed closing so that the Seller may first build a new planned residential service center at another site in Dallas.

Seller: The Salvation Army, a Georgia corporation, or related entities, successors, or assigns

Purchase Price: Not to exceed fair market value as determined by independent appraisal; appraisal confidential pursuant to *Texas Education Code* Section 51.951

38. Contract (funds coming in) - U. T. Medical Branch - Galveston: Approval of Settlement Agreement with AbbVie, Inc.

Agency: AbbVie, Inc.

Funds: \$2,000,000

Period: Effective when signed by all parties

Description: The Vice Chancellor and General Counsel recommends approval of the Settlement Agreement between AbbVie, Inc., and U. T. Medical Branch - Galveston (UTMB) to resolve a dispute over the effective date of a 2001 license agreement as a result of two amendments. This Settlement, which includes a payment of funds by AbbVie, Inc., to UTMB, is necessary and beneficial to UTMB to move forward with AbbVie, Inc., and help foster potential research and collaborations in the future.

39. Contract (funds coming in) - U. T. Medical Branch - Galveston: To provide consulting services to Badya University

Agency: Badya University

Funds: Approximately \$11,200,000 over entire term

Period: September 1, 2024 through August 31, 2029; with one three-year automatic renewal

Description: U. T. Medical Branch - Galveston (UTMB) will provide consulting and technical services to Badya University, which is a privately owned, newly formed university, located in Cairo, Egypt. UTMB will provide education consulting services for Badya to establish its newly licensed School of Medicine, School of Dentistry, and School of Physiotherapy. UTMB will receive approximately \$1,400,000 in the first year based upon the current student cohort, and as the student cohort increases, UTMB will receive additional funding.

40. Request for Budget Change - U. T. Medical Branch - Galveston: Tenure Appointments -- amendment to the FY 2024 budget

The following Requests for Budget Change (RBC) have been administratively approved by the Chancellor and the Executive Vice Chancellor for Health Affairs and are recommended for approval by the U. T. System Board of Regents:

<u>College, Department, and Name</u>	<u>From</u>	<u>To</u>	<u>RBC #</u>
School of Medicine			
Internal Medicine			
Kimberly Skarupski	New Hire	Professor (T)	13275
Otolaryngology			
Nausheen Jamal	New Hire	Chair and Professor (T)	13278

41. Request for Budget Change - U. T. Medical Branch - Galveston: Tenure Appointment -- amendment to the FY 2025 budget

The following Request for Budget Change (RBC) has been administratively approved by the Chancellor and the Executive Vice Chancellor for Health Affairs and is recommended for approval by the U. T. System Board of Regents:

<u>College, Department, and Name</u>	<u>From</u>	<u>To</u>	<u>RBC #</u>
School of Medicine			
Internal Medicine			
Antonio Bianco	New Hire	Professor (T)	13276

42. Lease - U. T. Medical Branch - Galveston: Authorization to lease approximately 26,096 square feet of space, as Lessor, in the John Sealy Hospital, located at 301 8th Street, Galveston, Galveston County, Texas, to Clear Lake Institute for Rehabilitation, LLC, for use as an inpatient rehabilitation facility

Description: Authorization to lease approximately 26,096 square feet of space, as Lessor, containing approximately 22 beds on the 8th floor of the John Sealy Hospital, located at 301 8th Street, Galveston, Galveston County, Texas, to Clear Lake Institute for Rehabilitation, LLC, for use as an inpatient rehabilitation facility. The institution selected Clear Lake Institute for Rehabilitation through direct negotiation based on the Lessee's respected health care reputation, strong presence in the institution's other active markets, and their ability to provide inpatient rehabilitation post-acute care within John Sealy Hospital. Currently, the institution does not offer a similar service and the proximity, ease of access, and referral relationship to this provider should offer more convenient post-acute care to the institution's patient base. Additionally, the institution anticipates that Lessee will offer unique learning opportunities to the institution in post-acute services, which would ordinarily not be available to the institution's physicians and students.

Lessee: Clear Lake Institute for Rehabilitation, LLC, a Delaware limited liability company, or related entities, successors, or assigns

Term: The lease term will be approximately 60 months, with the option to extend the lease for two renewal periods of 24 months each at the mutual agreement of both parties.

Rental Rate: The initial gross rental rate will be approximately \$78.83 per rentable square foot for the first year and then will increase by 2.50% annually thereafter, continuing through the potential renewal periods. The gross rental rate includes operating expenses; however, Tenant will pay additional rent and tax expenses, including applicable real property taxes, personal property taxes, and business taxes.

Tenant Improvements: The institution is spending approximately \$13,554,450 as the renovation budget for the entire 8th floor of the John Sealy Hospital modernization project. Approximately \$9,186,260 of the renovation budget will be allocated towards the cost of improving Lessee's proposed premises.

Lease Revenue: The total estimated gross rental amount over the initial term and potential renewal terms is approximately \$20,477,915; the initial term totals approximately \$10,813,044 and the renewal terms totals approximately \$9,664,871 if all renewal options are exercised.

43. Contract (funds coming in) - U. T. Health Science Center - Houston: CSC ServiceWorks, Inc., to provide automated laundry services at University Student and Faculty Housing

Agency: CSC ServiceWorks, Inc.

Funds: \$160,000

Period: August 1, 2024 through July 31, 2029

Description: CSC ServiceWorks, Inc., will provide automated laundry services at the U. T. Health Science Center - Houston University Student and Faculty Housing. CSC ServiceWorks, Inc., will pay royalties to U. T. Health Science Center - Houston according to an agreed fee schedule. Board approval is sought in accordance with *Texas Government Code*, Section 2203.005(a) and The University of Texas Systemwide Policy UTS 130 pertaining to Vending Machine Contracts. This Agreement was competitively bid.

44. Contract (funds coming in and going out) - U. T. Health Science Center - Houston: The French Corner Catering, LLC., to provide grab-n-go food services at locations across campus

Agency: The French Corner Catering, LLC.

Funds: \$4,500,000 (funds going out); Estimated \$630,000 for royalty payments over the entire term (funds coming in)

Period: August 1, 2024 through July 31, 2029; with two additional two-year renewals

Description: The French Corner Catering, LLC., will provide grab-n-go food services at locations across the U. T. Health Science Center - Houston campus. Services also include providing fresh food and beverages to students, staff, and guests, and catering services to U. T. Austin McCombs Business School Master of Business Administration (MBA) Program, which is located on the U. T. Health Science Center - Houston Campus. Pursuant to a separate agreement, U. T. Austin reimburses U. T. Health Science Center - Houston in the amount of \$4,500,000 for the services provided to the U. T. Austin MBA program.

Pursuant to *Texas Education Code* Section 51.945, the students were provided with an opportunity to comment prior to determination that this food services provider should be selected by the institution. Board approval is sought in accordance with *Texas Government Code*, Section 2203.005(a) and The University of Texas Systemwide Policy UTS 130 pertaining to Vending Machine Contracts. This Agreement was competitively bid.

45. Contract (funds coming in) - U. T. Health Science Center - San Antonio: Academic Collaboration Agreement for Academic Consulting Services with Ain Al Khaleej Hospital, United Arab Emirates

Agency: Ain Al Khaleej Hospital, United Arab Emirates

Funds: The total contract value over the entire term is approximately \$9,135,000.

Period: From date of execution of the Agreement through five years

Description: Academic Collaboration Agreement for U. T. Health Science Center - San Antonio to provide academic consulting services to Ain Al Khaleej Hospital to assist in the development of undergraduate degrees in dentistry, nursing, and other allied health professions and other related educational activities according to international academic standards.

46. Request for Budget Change - U. T. Health Science Center - San Antonio: Tenure Appointment -- amendment to the FY 2024 budget

The following Request for Budget Change (RBC) has been administratively approved by the Chancellor and the Executive Vice Chancellor for Health Affairs and is recommended for approval by the U. T. System Board of Regents:

<u>College, Department, and Name</u>	<u>From</u>	<u>To</u>	<u>RBC #</u>
Long School of Medicine			
Anesthesiology			
Maxim Savillion Eckmann	Clinical Professor	Professor (T)	13279

47. Request for Budget Change - U. T. Health Science Center - San Antonio: Tenure Appointments -- amendment to the FY 2025 budget

The following Requests for Budget Change (RBC) have been administratively approved by the Chancellor and the Executive Vice Chancellor for Health Affairs and are recommended for approval by the U. T. System Board of Regents:

<u>College, Department, and Name</u>	<u>From</u>	<u>To</u>	<u>RBC #</u>
School of Health Professions			
Physical Therapy			
Bradley S. Tragord	Associate Professor	Associate Professor (T)	13291
Long School of Medicine			
Medicine-Hematology and Mays Cancer Center			
Lei Zheng	New Hire	Professor (T)	13281
School of Public Health			
Health Policy and Health Services Administration			
Michael T. Halpern	New Hire	Professor (T)	13280

48. Contract (funds going out) - U. T. M. D. Anderson Cancer Center: Palantir Technologies Inc. to provide a new software platform to securely leverage generative Artificial Intelligence (AI) in operational applications

Agency: Palantir Technologies Inc.

Funds: The total cost of services under this Agreement, including all renewals, is estimated to be \$11,000,000.

Period: April 1, 2024 through June 30, 2026; with one three-year renewal option

Description: Palantir Technologies Inc. will provide a new software platform, Artificial Intelligence Platform (AIP), to securely leverage generative Artificial Intelligence (AI) in operational applications. Through partnership with OpenAI, Google, and others, Palantir provides access to the latest AI models in a stateless manner, meaning that no customer data is used to train models. AIP will provide a suite of tools to put generative AI into end user workflows.

The Agreement may have multiple Order Forms and each Order Form will continue for the duration set forth in that Order Form.

The First Order Form is effective April 1, 2024, and expires on June 30, 2026, with an option to extend the term for an additional three years. If the Order Form is extended, annual AIP Fee commitments may be invoiced on a monthly upfront basis for Year 1 through Year 3 of the extension.

This Agreement was acquired via an Exclusive Acquisition Justification.

49. Contract (funds going out) - U. T. M. D. Anderson Cancer Center: Amendment to Agreement with Advanced Accelerator Applications to purchase PLUVICTO and LUTATHERA (proprietary radiopharmaceutical drugs)

Agency: Advanced Accelerator Applications

Funds: The total contract value is approximately \$380,000,000.

Period: December 1, 2024 through September 25, 2027; with no remaining renewals

Description: The Radiopharmaceutical Purchase Agreement with Advanced Accelerator Applications is for the purchase of PLUVICTO (proprietary radiopharmaceutical drug) for the U. T. M. D. Anderson Cancer Center Nuclear Medicine department. PLUVICTO is the first FDA-approved targeted radioligand therapy for eligible patients that combines a targeting compound (ligand) with a therapeutic radioisotope (a radioactive particle).

The initial Agreement was effective September 26, 2022 through September 25, 2025, with two renewals of 12 months each and a cap amount of \$4,900,000. The initial Agreement did not require Board approval as the cap amount was within the institution's delegated approval threshold. This First Amendment, effective December 1, 2024, increases the cap amount, adds the purchase of an additional product (LUTATHERA), updates the pricing for PLUVICTO, and extends the term to September 25, 2027, with no remaining renewals. The significant increase in the cap amount is necessary because LUTATHERA, the additional product, is purchased much more frequently than PLUVICTO. The initial Agreement was acquired via an Exclusive Acquisition Justification.

50. Contract (funds going out) - U. T. M. D. Anderson Cancer Center: Amendment to Agreement with Jacobs Engineering Group, Inc., to provide facility commissioning services

Agency: Jacobs Engineering Group, Inc.

Funds: The total contract value, including the renewal periods, is estimated to be \$10,000,000, although the maximum amount is indeterminable at this time.

Period: August 31, 2024 through August 30, 2027; with no remaining renewals

Description: Under this job order contracting Agreement, Jacobs Engineering Group, Inc. (Jacobs) will function as a general contractor to provide general and specific facility commissioning services for projects on a per-project basis. Jacobs will provide all material, labor, equipment, and services necessary for completion of each project. Services are on a nonexclusive, indefinite quantity basis, and there is no minimum amount of work required. The initial Agreement, effective as of August 31, 2021, with an estimated value of \$4,000,000, did not require Board approval as the estimated value was within the institution's delegated approval threshold. This First Amendment, effective August 31, 2024, increases the estimated contract value to \$10,000,000 and extends the term to August 30, 2027. There are no remaining renewals. This Agreement was competitively bid.

51. Contract (funds going out) - U. T. M. D. Anderson Cancer Center: Amendment to Agreement with MotivAction, LLC, dba Augeo, to provide employee recognition and reward services

Agency: MotivAction, LLC dba Augeo

Funds: The total value is approximately \$20,750,000.

Period: August 26, 2024 through July 8, 2025

Description: MotivAction, LLC, dba Augeo, provides an enterprise-wide, multi-platform Employee Recognition Solution (ERS) and related implementation and integration services. The ERS application will be used to manage recognition programs centrally by the Human Resources function of U. T. M. D. Anderson Cancer Center. The ERS system will improve the management of disparate recognition systems and increase participation of the employee population.

The initial Agreement was effective July 9, 2021 through July 8, 2024, with a cap amount of \$1,500,000 and two 12-month renewal options. The First Amendment, effective October 6, 2023, increased the cap amount to \$3,400,000. The Second Amendment, effective June 26, 2024, increased the cap amount to \$5,000,000 and extended the term to July 8, 2025. This Third Amendment, effective August 26, 2024, increases the cap amount to \$20,750,000 with one remaining renewal. The initial Agreement and Amendments One and Two did not require Board approval as the cap amount was within the institution's delegated approval threshold. The initial Agreement was acquired via competitive bid.

52. Contract (funds going out) - U. T. M. D. Anderson Cancer Center: Amendment to Agreement with Paul Yeatts Enterprises, Incorporated, to provide services regarding exterior building waterproofing, hardscape, and emergent conditions

Agency: Paul Yeatts Enterprises, Incorporated

Funds: The total value is approximately \$9,435,000.

Period: August 20, 2024 through January 31, 2025; with one remaining renewal

Description: Paul Yeatts Enterprises, Incorporated, provides exterior building waterproofing, hardscape, and emergent conditions services, and performs maintenance related repair and minor construction installations on all U. T. M. D. Anderson Cancer Center campuses.

The initial Agreement was effective February 1, 2021 through January 31, 2023, and had a cap amount of \$1,500,000. The First Amendment, effective March 20, 2022, increased the cap amount to \$4,000,000. The Second Amendment, effective February 1, 2023, extended the term to January 31, 2024. The Third Amendment, effective February 1, 2024, extended the term to January 31, 2025.

The initial Agreement and Amendments One through Three did not require Board approval as the cap amount was within the institution's delegated approval threshold. This Fourth Amendment, effective August 20, 2024, increases the cap amount to \$9,435,000. There is one remaining renewal. The initial Agreement was acquired via competitive bid.

53. Contract (funds going out) - U. T. M. D. Anderson Cancer Center: Amendment to Agreement with TCB Specialties, LLC, to provide promotional product services

Agency: TCB Specialties, LLC

Funds: The total contract value is approximately \$8,000,000.

Period: August 21, 2024 through August 31, 2025

Description: TCB Specialties, LLC, provides promotional product services to U. T. M. D. Anderson Cancer Center as well as customer service, weekly product delivery, dedicated account representatives, and a wide range of quality and diverse products. TCB Specialties, LLC, meets delivery specifications, pricing, and product mix that supports the unique environment of U. T. M. D. Anderson Cancer Center.

The initial Agreement, with TCB Specialties, was effective September 1, 2019 through August 31, 2022, with a cap amount of \$1,000,000 and two 12-month renewal options. The First Amendment, effective September 2, 2021, assigned the Agreement to TCB Specialties, LLC, and increased the cap amount to \$2,500,000. The Second Amendment, effective September 1, 2022, extended the term to August 31, 2023. The Third Amendment, effective June 21, 2023, increased the cap amount to \$4,000,000 and extended the term to August 31, 2024. The Fourth Amendment, effective August 1, 2024, increased the cap amount to \$5,000,000 and extended the term to August 31, 2025. The initial Agreement and Amendments One through Four did not require Board approval as the cap amount was within the institution's delegated approval threshold. This Fifth Amendment, effective August 21, 2024, increases the cap amount to \$8,000,000. The initial Agreement was acquired via competitive bid.

54. Contract (funds going out) - U. T. M. D. Anderson Cancer Center: Amendment to Agreement with Waste Management of Texas, Inc., to provide collection, recycling, and disposal of nonhazardous solid waste and single-stream recycling materials

Agency: Waste Management of Texas, Inc.

Funds: The total contract value is approximately \$7,000,000.

Period: September 1, 2024 through August 31, 2026

Description: Waste Management of Texas, Inc., provides collection, transportation, management, recycling, and disposal of nonhazardous solid waste and single-stream recycling materials for U. T. M. D. Anderson Cancer Center.

The initial Agreement was effective September 1, 2023 through August 31, 2026, with a cap amount of \$5,000,000 and two 12-month renewal options. The initial Agreement did not require Board approval as the cap amount was within the institution's delegated approval threshold. This First Amendment, effective September 1, 2024, increases the cap amount to \$7,000,000. The initial Agreement was acquired via competitive bid.

55. Lease - U. T. M. D. Anderson Cancer Center: Authorization to lease approximately 16,628 rentable square feet of space, as Lessee, on the 4th floor of the TMC3 Collaborative Building in the Helix Park Campus located at 7255 Helix Park Avenue, Houston, Harris County, Texas, from the TMC3 Development Corporation, for mission uses, including office purposes and data science initiatives

Description: Authorization to lease approximately 16,628 rentable square feet of office space located at the TMC3 Collaborative Building in the Helix Park Campus located at 7255 Helix Park Avenue, Houston, Harris County, Texas. U. T. M. D. Anderson Cancer Center plans to use the proposed lease premises for office purposes and data science initiatives, including collaborations with third parties. The premises will serve as the flagship space of the Institute for Data Science Oncology.

Lessor: TMC3 Development Corporation, a Texas nonprofit corporation or related entities, successors, or assigns

Term: Approximately 84 months, and if applicable a partial month, from the date the Lessor delivers the leased premises in substantially complete condition to the Lessee. Lessee will have the option to further extend the term of the lease for two periods of approximately 60 months each.

Lease Cost: Base rent over the first lease year will be \$45.00 per rentable square foot annually. On the first day of the second lease year, then annually thereafter, base rent shall increase by 2.5%.

The base rent for the potential renewal periods will be at the then determined fair market value. Estimated base rent for the initial term and potential renewal terms is approximately \$15,612,243.

Lessee will be responsible for operating expenses, which are estimated to be approximately \$12.87 per square foot. Assuming 3% annual operating expense increases, the operating expenses during the initial period are estimated to be approximately \$1,639,785. Estimated operating expenses for the initial term and potential renewal terms is approximately \$4,657,031. The parties anticipate the lease will be exempt from ad-valorem taxation, but such taxes will be paid by U. T. M. D. Anderson Cancer Center if owing.

Tenant Improvements: The total cost of improvements to the premises, or total project cost, is estimated to be \$7,820,154. The Lessor will contribute approximately \$75.00 per rentable square foot, which is estimated to be approximately \$1,247,100, as a tenant improvement allowance.

The total capital investment by the institution is estimated to be approximately \$395 per rentable square foot (\$494 per usable square foot), or \$6,573,054. This includes above-standard power and communications infrastructure to accommodate data science uses in the space.

Total Cost: Total estimated lease expense over the initial lease term and potential renewal periods is approximately \$26,842,328, which includes estimated base rent, estimated operating expenses, and U. T. M. D. Anderson Cancer Center's share of the proposed tenant improvement expenses.

56. Lease - U. T. M. D. Anderson Cancer Center: Authorization to lease approximately 67,230 rentable square feet of space located at 6624 Fannin Street, Houston, Harris County, Texas, from Texas Children's Hospital, a Texas nonprofit organization for medical office use

Description: Authorization to lease approximately 67,230 rentable square feet of space located at 6624 Fannin Street, Houston, Harris County, Texas, from Texas Children's Hospital, a Texas nonprofit organization for medical office use

Lessor: Texas Children's Hospital, a Texas nonprofit corporation or related entities, successors, or assigns

Term: The term of the lease will be for approximately 120 months, and any partial month, from the date that is nine months after the Early Access Date. The Early Access Date is estimated to be on or before October 1, 2025. Lessor will also have the option to extend the term of the lease for one renewal period of 60 months at fair market value. Lessee may have a one-time option to terminate all or a portion of the leased premises on the 84th month from the lease commencement date by paying a termination fee.

During the first 84 months, Tenant shall have the right of first refusal to lease any available space on floors 20 and 24 of the building.

Lease Cost: Estimated base rent for the initial term and potential renewal terms is approximately \$45,063,960.

Base Rent over the initial lease year will be \$37.38 per square foot annually with 2.5% annual increases thereafter. The base rent for the first potential renewal period will be at fair market value. Lessee will be responsible for any future escalations in operating expenses over the base year of 2025 (which is approximately \$23.87 per square foot). Assuming 3% annual operating expense increases, estimated operating expenses during the initial term will be approximately \$2,349,204 and estimated operating expenses for the renewal period will be approximately \$3,426,261. All utility charges and janitorial expenses for the premises are included in the base rent for the lease, subject to increases above the base year. Lessee will also have the option to lease approximately 45 covered parking spaces, for an additional initial parking fee of approximately \$113,400 per year. This fee may change over time.

Tenant Improvements: The Lessor will contribute an approximately \$60.00 per square foot tenant improvement allowance, which is estimated to total approximately \$4,033,800. Additionally, the Lessee will contribute the balance of the cost of improving the premises, such contribution is estimated at approximately \$788.00 per square foot, which is estimated to total \$52,977,240 towards improvements to the leased space.

Total Cost: The total estimated lease expense over the initial lease term and potential renewal periods is approximately \$105,517,666, which includes base rent, all operating expenses, proposed tenant improvement paid by U. T. M. D. Anderson Cancer Center, potential parking expenses, and all additional costs outlined above.

57. Purchase - U. T. M. D. Anderson Cancer Center: Authorization to purchase approximately 2.045 acres of land located at 6977 Main Street, Houston, Harris County, Texas, from Texas Medical Center, a Texas nonprofit corporation, for future campus expansion

Description: Authorization to purchase approximately 2.045 acres of land, with a hospital being demolished and all improvements to be removed prior to closing, located at 6977 Main Street, Houston, Harris County, Texas, from Texas Medical Center, a Texas nonprofit corporation, for future campus expansion.

The subject site is positioned at a prime corner location within the Texas Medical Center with frontage along Main Street and Pressler Street. Several U. T. M. D Anderson Cancer Center facilities are within 0.25 mile from the property.

The property may be encumbered by one or more easements benefitting adjacent properties.

Seller: Texas Medical Center, a Texas nonprofit corporation or related entities, successors, or assigns

Purchase Price: Not to exceed fair market value as determined by independent appraisal; appraisal confidential pursuant to *Texas Education Code* Section 51.951

FACILITIES PLANNING AND CONSTRUCTION COMMITTEE

58. Contract (funds going out) - U. T. System: Jacobs Project Management Co. to provide project management consulting services and construction administration support for the U. T. Austin and U. T. M.D. Anderson Cancer Center Medical Complex Project

Agency: Jacobs Project Management Co.

Funds: To be paid by U. T. System or the institutions that request services under this Agreement. Services under this Agreement may be requested by U. T. System, U. T. Austin, and U. T. M. D. Anderson Cancer Center. Contract is being brought forward for Board approval as it is nearing the \$2,000,000 delegation threshold; however, the maximum amount is indeterminable at this time as the total contract value will depend on usage of services.

Period: May 10, 2024 through May 9, 2026; with two remaining 24-month renewals options

Description: Jacobs Project Management Co. will provide project management consulting services and construction administration support for the U. T. Austin and U. T. M. D. Anderson Cancer Center Medical Complex Project.

The Agreement has an unspecified cost of monetary value, but is expected to exceed the delegated authority threshold. The U. T. System Office of Contracts and Procurement will closely monitor the spend over the life of the Agreement.

59. Contract (funds going out) - U. T. System: Terracon Consultants, Inc., to provide geotechnical construction materials testing, and miscellaneous professional and technical support services

Agency: Terracon Consultants, Inc.

Funds: To be paid by U. T. System or the institutions that request services under this Agreement. Services under this Agreement may be requested by U. T. System or any U. T. institution. Contract is being brought forward for Board approval as it is nearing the \$2,000,000 delegation threshold; however, the maximum amount is indeterminable at this time as the total contract value will depend on usage of services.

Period: September 1, 2023 through August 31, 2025; with two remaining 24-month renewal options

Description: Terracon Consultants, Inc., will perform geotechnical engineering services on a nonexclusive, indefinite quantity basis. The contract value is now estimated to be nearing \$2,000,000, although the maximum amount is indeterminable at this time. Services were competitively procured.

The Agreement has an unspecified cost of monetary value, but is expected to exceed the delegated authority threshold. The U. T. System Office of Contracts and Procurement will closely monitor the spend over the life of the Agreement.

ADDITIONAL CONSENT AGENDA ITEM
ACADEMIC AFFAIRS COMMITTEE
NOVEMBER 20-21, 2024

60. Lease – U. T. Austin: Authorization to enter into a ground lease and related agreements with an entity owned or controlled by H2O Innovation, Inc., as successor to NextEra Energy Resources, LLC, for the construction, operation, and maintenance of a water reclamation and reuse facility and the processing and purchase of reclaimed water on a portion of U. T. Austin’s main campus located north of Dean Keaton Street and between San Jacinto Blvd and Speedway, directly south of Chilling Station #5, 2610 San Jacinto Blvd, Austin, Travis County, Texas, and authorization to purchase reclaimed water throughout the ground lease term and to purchase the improvements at any time during the ground lease term; and finding of public purpose

Description:

On August 25, 2022, the Board approved a ground lease for the construction, operation, and maintenance of a water reclamation and reuse facility and the processing and purchase of reclaimed water from an entity owned or controlled by NextEra Energy Resources, LLC. As the ground lease was at the below-market rate of \$10/year over a 30-year term, the Board’s approval of the ground lease included a related finding of public purpose. On October 1, 2024, prior to execution of the ground lease and related agreements, H2O Innovation, Inc., acquired this project as part of a purchase of certain NextEra Energy Resource’s water and wastewater assets and operations.

Accordingly, U. T. Austin now seeks authorization to enter into a ground lease and related agreements with an entity owned or controlled by H2O Innovation, Inc., or related entities, successors, or assigns, for the construction, operation, and maintenance of a water reclamation and reuse facility and the processing and purchase of reclaimed water on a portion of U. T. Austin’s main campus located north of Dean Keaton Street and between San Jacinto Blvd and Speedway, directly south of Chilling Station #5, 2610 San Jacinto Blvd, Austin, Travis County, Texas, authorization to purchase reclaimed water throughout the ground lease term, and authorization to purchase the improvements at any time during the ground lease term. U. T. Austin now estimates that it will purchase reclaimed water over the 30-year term for a total cost of approximately \$201,000,000, up from the prior estimate of up to \$178,000,000. All other terms of the ground lease and related agreements approved by the Board on August 25, 2022, remain unchanged. The Board is also asked to reaffirm the finding of public purpose.

- Lessee: DG Texas Waterhub II, LLC, a Delaware Limited Liability Company, which is an entity owned or controlled by H2O Innovation, Inc., a corporation based in Quebec, Canada, or related entities, successors, or assigns.
- Sponsor Guaranty: H2O Innovation WaterHub, Inc., or another credit-worthy affiliate meeting U. T. Austin's capital and financial requirements will guaranty the payment obligations of the Lessee arising under the Ground Lease, including liquidated damages, monetary damages, and indemnified costs, up to a certain maximum over the term of the Ground Lease. The proposed guarantor replaces one affiliated with NextEra Energy Resources.
- Finding of Public Purpose: The U. T. System Board of Regents is asked to reaffirm that:
1. The ground lease and related agreements, including the lease of ground at a rate below market, the development of a reclaimed water treatment facility to serve the institution's campus, the potential future purchase of the improvements by U. T. Austin, and the water purchase obligations of the institution, support the public mission of and serve a public purpose appropriate to the function of U. T. Austin;
 2. Pursuant to the ground lease and other ancillary documents, U. T. Austin will have sufficient safeguards in place to ensure the public purpose will continue to be met on an ongoing basis; and
 3. The transaction will result in adequate consideration and benefits to U. T. Austin and the State of Texas.