

MATERIAL SUPPORTING THE AGENDA

VOLUME XXXVIb

This volume contains the Material Supporting the Agenda furnished to each member of the Board of Regents prior to the meetings held on

February 9, 1989

March 2, 1989

April 6, 1989

The material is divided according to the standing committees and the meetings that were held and is color coded as follows:

White paper - for documentation of all items that were presented before the deadline date.

Blue paper - all items submitted to the Executive Session and distributed only to the Regents, Chancellor and Executive Vice Chancellors of the System.

Yellow paper - emergency items distributed at the meeting.

Material distributed at the meeting as additional documentation is not included in the bound volume, because sometimes there is an unusual amount and other times some people get copies and some do not get copies. If the Executive Secretary was furnished a copy, then that material goes into the appropriate subject file.



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**Material Supporting the Agenda  
of the  
Board of Regents  
The University of Texas System**

**Meeting No.:** 838

**Date:** February 9, 1989

**Location:** Austin, Texas

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BOARD OF REGENTS  
OF  
THE UNIVERSITY OF TEXAS SYSTEM

CALENDAR

Place: Regents' Meeting Room, Ninth Floor  
Ashbel Smith Hall  
201 West Seventh Street  
Austin, Texas

Thursday, February 9, 1989

11:00 a.m. Convene in Open Session for the sole  
purpose of recessing to Executive  
Session

1:30 p.m. or Reconvene in Open Session to continue  
upon recess until completion of business  
of Executive  
Session

See Pages B of R 1 - 9,  
Items A - P

Telephone Numbers

Board of Regents' Office	(512) 499-4402
Chancellor Mark	(512) 499-4201
Executive Vice Chancellor Duncan	(512) 499-4233
Executive Vice Chancellor Mullins	(512) 499-4224
Executive Vice Chancellor Patrick	(512) 499-4337

**Meeting of  
the Board**

AGENDA FOR MEETING  
OF  
BOARD OF REGENTS  
OF  
THE UNIVERSITY OF TEXAS SYSTEM

Date: Thursday, February 9, 1989

Time: 11:00 a.m. Convene in Open Session for the sole purpose of recessing to Executive Session

1:30 p.m. Reconvene in Open Session to continue or upon until completion of business recess of Executive Session

Place: Regents' Meeting Room (Open Session) and Regents' Conference Room (Executive Session), Ninth Floor, Ashbel Smith Hall

A. CALL TO ORDER

B. RECESS TO EXECUTIVE SESSION

The Board will convene in Executive Session pursuant to Vernon's Texas Civil Statutes, Article 6252-17, Sections 2(e), (f) and (g) to consider those matters set out on Page Ex.S - 1 of the Material Supporting the Agenda.

C. RECONVENE IN OPEN SESSION

D. APPROVAL OF MINUTES OF REGULAR MEETING HELD DECEMBER 8, 1988

E. SPECIAL ITEM

U. T. Board of Regents - General Revenue Subordinate Lien Notes: Recommendation to Increase Authorized Amount from \$20,000,000 to \$40,000,000.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Asset Management that the U. T. Board of Regents approve an amendment to the Resolution dated August 13, 1987, increasing the amount of General Revenue Subordinate Lien Notes authorized to be issued from \$20,000,000 to \$40,000,000. Under the amended Resolution (Pages B of R 3 - 5), the Board will continue to (a) authorize certain designated representatives to negotiate the terms of any Notes and (b) authorize the Chancellor or any Executive Vice Chancellor on behalf of the Board to execute and sell the Notes, provided that Note proceeds are used only to fund projects approved by the Board and that the aggregate principal amount of all Notes outstanding at any time shall not exceed \$40,000,000 (as amended).

## BACKGROUND INFORMATION

The General Revenue Subordinate Lien Note program is designed to provide interim financing primarily for small non-PUF eligible projects such as parking, housing and student union facilities at component institutions. Notes are issued in \$1 million to \$5 million increments during the construction period at relatively low cost short-term interest rates. As Notes outstanding accumulate to an amount sufficient to generate economies of scale (\$30 million to \$50 million) or during periods of low interest rates, the Notes will be refinanced with a single fixed rate bond issue.

Although Notes outstanding currently total only \$9.7 million, to date the U. T. Board of Regents has approved projects in the amount of \$21.9 million which will require an increase in Note financing. In order to provide capacity for financing the projects approved to date plus any additional projects to be approved by the Board, an increase in authorized Notes outstanding from \$20 million to \$40 million is recommended.

A RESOLUTION AMENDING A RESOLUTION ADOPTED BY THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM ON AUGUST 13, 1987 FOR THE PURPOSE, AMONG OTHERS, OF INCREASING TO \$40,000,000 THE AGGREGATE PRINCIPAL AMOUNT AT ANY ONE TIME OUTSTANDING OF OBLIGATIONS AUTHORIZED TO BE ISSUED TO PROVIDE INTERIM FINANCING TO PAY PROJECT COSTS FOR ELIGIBLE PROJECTS; AND AUTHORIZING INSTRUMENTS AND RESOLVING OTHER MATTERS INCIDENT TO SUCH AMENDMENT AND THE ISSUANCE, SALE, SECURITY AND DELIVERY OF OBLIGATIONS.

WHEREAS, on August 13, 1987, the Board of Regents of The University of Texas System (the "Board") adopted a resolution (the "1987 Resolution") approving and authorizing the issuance from time to time of its General Revenue Subordinate Lien Notes (the "Notes") in an aggregate principal amount at any one time outstanding of not to exceed \$20,000,000, to provide interim financing to pay certain costs and expenses incurred in relation to certain eligible projects to be acquired, purchased, constructed, improved, enlarged and/or equipped for and on behalf of any one or more of the institutions or branches thereof operated by or under the jurisdiction of the Board; and

WHEREAS, the Board heretofore has issued the following four series of Notes under the 1987 Resolution (the "Prior Notes"), which are currently outstanding in the following respective principal amounts:

<u>Series</u>	<u>Issuance Date</u>	<u>Amount Outstanding</u>
Series 1987A	August 24, 1987	\$1,025,000
Series 1988A	June 15, 1988	3,700,000
Series 1988B	October 11, 1988	5,000,000
Series 1989A	January 31, 1989	4,500,000

WHEREAS, Section 7.01 of the 1987 Resolution provides that the 1987 Resolution and the rights and obligations of the Board and of the holders of the Notes may be modified or amended for any purpose at any time by a supplemental resolution, with the prior written consent of the holders of the Notes; and

WHEREAS, the Board proposes to amend the 1987 Resolution for the purpose, among others, of increasing to \$40,000,000 the aggregate principal amount of Notes authorized to be outstanding at any one time; and

WHEREAS, the current registered owner of all the Prior Notes has been notified of, and has been requested to consent to, the proposed amendment of the 1987 Resolution, as required by Section 7.01 of the 1987 Resolution;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM:

Section 1. Definitions. Except as expressly provided otherwise herein or unless the context shall indicate a contrary meaning or intent, the capitalized terms used in this Resolution shall have, for all purposes of this Resolution, the meanings assigned to such terms in the 1987 Resolution.

Section 2. General Authorization. Section 2.01 of the 1987 Resolution is hereby amended in its entirety to read as follows:

Section 2.01. General Authorization. Pursuant to authority conferred by and in accordance with the provisions of the Constitution and laws of the State of Texas, particularly the Acts, Notes shall be and are hereby authorized to be issued in an aggregate principal amount not to exceed FORTY MILLION DOLLARS (\$40,000,000) at any one time outstanding for the purpose of financing Project Costs of Eligible Projects and to refinance, renew, or refund Notes, including interest thereon, all in accordance with and subject to the terms, conditions, and limitations contained herein. For purposes of this Section 2.01, any portion of outstanding Notes to be paid from money on deposit in the Note Payment Fund or from the proceeds of Notes, Additional Notes, Priority Obligations or other obligations of the Board available for such purpose on the day of calculation shall not be considered outstanding.

Section 3. Actions by Authorized Representatives. The Chairman of the Board, the Executive Secretary of the Board, any Assistant Secretary of the Board, the Authorized Representatives and the other officers of the Board hereby are authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all

documents they may deem necessary or advisable in order to carry out the intent and purpose of this Resolution in amending the 1987 Resolution, including but not limited to (i) giving any notices required by the 1987 Resolution, (ii) obtaining the written consent of the Holders of the Notes outstanding to the amendments made by this Resolution, and (iii) securing the approval of the Attorney General of the State of Texas to such amendments, if and as required by Section 7.01 of the 1987 Resolution and applicable law, and (iv) taking any such actions necessary to consummate the issuance, sale, and delivery of Notes as contemplated by the 1987 Resolution, as amended by this Resolution.

Section 4. Supplemental Resolutions; Ratification. Other than as permitted by Section 7.01 of the 1987 Resolution, the Board will not adopt any supplemental resolution pursuant to the 1987 Resolution, this Resolution or otherwise. The 1987 Resolution, as amended by this Resolution, is hereby ratified and reaffirmed, and shall remain in full force and effect, as so amended.

Section 5. Effective Date. The amendments to the 1987 Resolution made by this Resolution shall become valid and effective as of the date on which all conditions to changing, modifying or amending the 1987 Indenture, as set forth in Section 7.01 of the 1987 Resolution, are satisfied.

PASSED AND ADOPTED this the 8th day of February, 1989.

\_\_\_\_\_  
Chairman

ATTEST:

\_\_\_\_\_  
Executive Secretary

(Seal)

ut/subordinate lien  
a:\noteres.amd

F. RECESS FOR MEETINGS OF THE STANDING COMMITTEES AND  
COMMITTEE REPORTS TO THE BOARD

The Standing Committees of the Board of Regents of The University of Texas System will meet as set forth below to consider recommendations on those matters on the agenda for each Committee listed in the Material Supporting the Agenda. At the conclusion of each Standing Committee meeting, the report of that Committee will be formally presented to the Board for consideration and action.

Executive Committee: Chairman Blanton  
MSA Page Ex.C - 1

Finance and Audit Committee: Chairman Roden  
MSA Page F&A - 1

Academic Affairs Committee: Chairman Baldwin\*  
Regent Beecherl  
MSA Page AAC - 1

Health Affairs Committee: Chairman Yzaguirre\*  
Regent Barshop  
MSA Page HAC - 1

Buildings and Grounds Committee: Chairman Hay\*  
Regent Ratliff  
MSA Page B&G - 1

Land and Investment Committee: Chairman Ratliff  
MSA Page L&I - 1

\* If the terms of these Regents have officially concluded, the committees will be chaired by the Regent indicated.

G. RECONVENE AS COMMITTEE OF THE WHOLE

H. ITEM FOR THE RECORD

U. T. Health Science Center - Houston: Acceptance of Membership to Development Board.--

At the December 1988 U. T. Board of Regents' meeting, Mrs. Laura Hobby Beckworth, Houston, Texas, was approved for membership to the U. T. Health Science Center - Houston Development Board for a two-year term to expire August 31, 1990. Mrs. Beckworth's acceptance of membership is herewith reported for the record.

- I. CONSIDERATION OF ACTION OF ANY ITEMS DISCUSSED IN THE EXECUTIVE SESSION OF THE BOARD OF REGENTS PURSUANT TO V.T.C.S., ARTICLE 6252-17, SECTIONS 2(e), (f) AND (g)
1. Pending and/or Contemplated Litigation - Section 2(e)
    - U. T. Medical Branch - Galveston: Proposed Settlement of Medical Liability Litigation
  2. Land Acquisition, Purchase, Exchange, Lease or Value of Real Property and Negotiated Contracts for Prospective Gifts or Donations - Section 2(f)
    - U. T. Austin: Consideration of a Negotiated Agreement with the City of Austin for a Land Use Plan for the Brackenridge Tract and the Lease for the Lions Municipal Golf Course
  3. Personnel Matters [Section 2(g)] Relating to Appointment, Employment, Evaluation, Assignment, Duties, Discipline, or Dismissal of Officers or Employees
    - U. T. Board of Regents: Matters Relating to the Organization of the U. T. Board of Regents in Accordance with the Regents' Rules and Regulations, Part One, Chapter I, Sections 3, 4 and 5
- J. REPORT OF BOARD FOR LEASE OF UNIVERSITY LANDS
- K. REPORT OF SPECIAL COMMITTEES
- L. FOUNDATION MATTER

Winedale Stagecoach Inn Fund Agenda.--

RECOMMENDATION

It is recommended that the members of the U. T. Board of Regents convene as Trustees of the Winedale Stagecoach Inn Fund to act on the following agenda:

- a. Approval of Minutes of the preceding meeting held on August 13, 1987
- b. Authorize the Secretary-Treasurer of the Winedale Stagecoach Inn Fund (hereinafter referred to as the Fund), currently Dr. William H. Cunningham, to accept, on behalf of the Fund, gifts of funds in the amount of \$235,240 from the Meadows Foundation and approximately \$100,000 in cash and pledges from various donors for the purpose of purchasing land adjoining the Winedale Historical Center and constructing an Education Center to be titled the Meadows Foundation Education Center. Funds from the Meadows Foundation in the amount of \$29,000 have been received and the remaining \$206,240 is payable on or before December 10, 1989, contingent upon the signing of a contract to construct the Education Center.

- c. Authorize the Secretary-Treasurer to execute, on behalf of the Fund, all documents pertaining to the purchase of 34.19 acres of land out of the W. S. Townsend League, Abstract 104, Winedale, Fayette County, Texas, for an amount not to exceed \$121,000
- d. Authorize the President of the Fund, currently Mr. Jack S. Blanton, to enter into appropriate arrangements, on behalf of the Fund, to construct the Education Center for an amount not to exceed \$206,000 and to amend the existing lease of the Winedale Historical Center to U. T. Austin to include the Education Center and the land described above.

BACKGROUND INFORMATION

The organizational meeting of the Winedale Stagecoach Inn Fund was held January 16, 1965. The purpose of this Fund is to support the Winedale Historical Center, previously named the Winedale Stagecoach Inn. The Winedale Historical Center is located on 190 acres of land at Round Top, Fayette County, Texas, and was created by Miss Ima Hogg under the name of Winedale Stagecoach Inn and offered to the U. T. Board of Regents in 1965 and was formally dedicated on April 7, 1967.

The Winedale Historical Center is a growing center for performing arts and study of early Texas craftsmanship. The Winedale properties were leased to the U. T. Board of Regents for the benefit of U. T. Austin on October 24, 1975, for a term of 99 years. The income from the Winedale Stagecoach Inn Fund is made available to U. T. Austin for operation, maintenance, related programs, and exhibits at the Winedale Historical Center.

M. OTHER MATTERS

N. SCHEDULED MEETINGS AND EVENTS

Board of Regents' Meetings

<u>Dates</u>	<u>Locations/Hosts</u>
April 6, 1989	U. T. El Paso
June 8, 1989	To Be Determined
August 10, 1989	Austin (no host)
October 13, 1989	U. T. Dallas
December 7, 1989	U. T. Health Science Center - San Antonio

Commencements - 1989

May 5                \*U. T. Tyler  
May 6                U. T. Nursing School - Galveston  
May 7                \*U. T. Permian Basin  
May 12               U. T. Public Health School - Houston  
                      \*U. T. Nursing School - Houston  
May 13               \*U. T. El Paso  
                      U. T. G.S.B.S. - Galveston  
                      U. T. G.S.B.S. - Houston  
                      U. T. Allied Health Sciences School - Houston  
                      U. T. Dental School - San Antonio  
                      U. T. Allied Health Sciences School -  
                          San Antonio  
May 14               \*U. T. San Antonio  
                      \*U. T. Nursing School - San Antonio  
May 19               U. T. G.S.B.S. - San Antonio  
May 20               \*U. T. Arlington  
                      \*U. T. Austin  
                      \*U. T. Dallas  
May 27               \*U. T. Medical School - Galveston  
                      U. T. Medical School - Houston  
                      U. T. Dental Branch - Houston  
                      U. T. Medical School - San Antonio  
June 3                \*U. T. Southwestern Medical School - Dallas  
                          and U. T. Southwestern G.S.B.S. - Dallas  
August 13            U. T. Southwestern A.H.S.S. - Dallas  
August 19            U. T. Allied Health Sciences School -  
                          Galveston

\*Official commencement for Regental attendance

O.    OTHER BUSINESS

P.    ADJOURNMENT

# 1989

## JANUARY

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## MAY

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**Executive  
Committee**

EXECUTIVE COMMITTEE

Date: February 9, 1989  
Time: Following the 1:30 p.m. Session of the Board of Regents  
Place: Regents' Meeting Room, Ninth Floor, Ashbel Smith Hall

	<u>Page</u> <u>Ex.C</u>
1. U. T. Austin: Recommendation for Approval of Sponsored Research Agreement and Ancillary Equipment Loan Agreement with International Business Machines Corporation (IBM), Austin, Texas (Exec. Com. Letter 89-11)	3
2. U. T. Austin: Recommendation for Approval of Sponsored Research Agreement with SEMATECH, Inc. and The Semiconductor Research Corporation, Both of Austin, Texas (Exec. Com. Letter 89-11)	23
3. U. T. Austin: Request for Approval of Proposed Special Use Allowance Agreement with the U. S. Department of the Navy; Request for Authorization for the Executive Vice Chancellor for Academic Affairs to Execute Agreement and Recommendation for Concurrence in Proposed Funding for Facility Construction and Renovation (Exec. Com. Letter 89-11)	41
4. U. T. Austin - Energy Conservation Projects: Request for Authorization of Project; Submission to Coordinating Board; Completion of Final Plans, Advertise for Bids and Award of Contracts by U. T. Austin Administration; and Appropriation Therefor (Exec. Com. Letter 89-11)	46
5. U. T. Austin - Balcones Research Center - Microelectronics and Engineering Research Building (Project No. 102-660): Request for Approval of Revised Total Project Cost and Appropriation of Additional Funds Therefor; Recommended Award of Construction Contract to Clearwater Constructors, Inc., Austin, Texas; and Approval of Plaque Inscription (Exec. Com. Letter 89-13)	47
6. U. T. El Paso: Request for Authorization to Accept Invitation for Football Team to Participate in a Post-Season Bowl Game (Exec. Com. Letter 89-9)	53
7. U. T. San Antonio - Engineering Building - Phase I (Project No. 401-616): Recommended Award of Construction Contract to Spaw-Glass Construction Services, Inc., San Antonio, Texas (Exec. Com. Letter 89-11)	54

8. U. T. Southwestern Medical Center - Dallas - Floodplain Reclamation (Project No. 303-679): Recommended Award of Construction Contract to Henry Building & Engineering, Inc., Lancaster, Texas; and Request for the Executive Vice Chancellor for Health Affairs to Approve and Execute an Agreement with the John D. and Catherine T. MacArthur Foundation, Chicago, Illinois, to Accept Payment from the Foundation for That Part of the Project on Foundation Property (Exec. Com. Letter 89-9) 59
9. U. T. Medical Branch - Galveston - Maurice Ewing Hall Renovation (Project No. 601-673): Recommended Award of Construction Contract to A-Tec Engineers and Contractors, Inc., Houston, Texas (Exec. Com. Letter 89-12) 61
10. U. T. Medical Branch - Galveston - Remodeling of John Sealy Hospital (Old Building) - Cardiac Catheterization Unit (Project No. 601-677): Recommended Award of Construction Contract to Miner-Dederick Constructors, Inc., Houston, Texas (Exec. Com. Letter 89-12) 64
11. U. T. Medical Branch - Galveston - Remodeling of John Sealy Hospital (Old Building) - Remodeling of Sixth, Seventh and Eighth Floors (Project No. 601-655): Recommended Award of Construction Contract to Miner-Dederick Constructors, Inc., Houston, Texas (Exec. Com. Letter 89-9) 67
12. U. T. M.D. Anderson Cancer Center: Request for Transfer of Funds Requiring Advance Regental Approval Under Budget Rules and Procedures No. 2 (Exec. Com. Letter 89-10) 70

1. U. T. Austin: Recommendation for Approval of Sponsored Research Agreement and Ancillary Equipment Loan Agreement with International Business Machines Corporation (IBM), Austin, Texas (Exec. Com. Letter 89-11).--

#### RECOMMENDATION

The Executive Committee concurs in the recommendation of the Chancellor, the Executive Vice Chancellor for Academic Affairs and President Cunningham that approval be given to the proposed sponsored research agreement and an ancillary equipment loan agreement set out on Pages Ex.C 4 - 22 between U. T. Austin and International Business Machines Corporation (IBM), Austin, Texas.

#### BACKGROUND INFORMATION

Pursuant to a proposed sponsored research agreement with U. T. Austin, IBM will provide \$50,000 to support research in the area of thermal modeling of infrared reflow. The project will be directed by Dr. Theodore Bergman, Assistant Professor, and Dr. Glenn Masada, Associate Professor, of the Department of Mechanical Engineering.

The U. T. Board of Regents adopted "Policy and Guidelines for the Negotiation, Review and Approval of Sponsored Research Projects with Nonprofit and for Profit Nongovernmental Entities" on December 5, 1985, and authorized institutions to seek U. T. Board of Regents' approval for agreements conforming to the Guidelines through inclusion of the agreements in the institutional dockets. Pursuant to the Regents' Rules and Regulations, Part Two, Chapter V, Subdivision 2.492 related to intellectual property, proposed agreements deviating substantially from the Guidelines require appropriate administrative approval and submission to the U. T. Board of Regents via the agenda.

The proposed IBM agreement presented herein requires the granting of an "irrevocable, nonexclusive, world-wide, royalty-free, fully paid up license" to utilize results of the IBM funded project. The royalty-free aspect of the license deviates from the Guidelines which require at Part (b) that "The sponsoring entity may have an option for either an exclusive or nonexclusive right to a license to develop and commercialize any intellectual property from the project for a royalty in an amount to be negotiated." President Cunningham and System Administration officials are of the opinion that the potential benefits to be gained from the agreement with the royalty-free license outweigh potential negotiated royalties for possible intellectual property related to project results. Additionally, the proposed research offers contributions to the graduate education/research mission that provide gains potentially greater than any which might accrue from intellectual property resulting from the proposed IBM funded research.

September 28, 1988

Dr. T. Bergman                      and              Dr. G. Masada  
University of Texas                      University of Texas  
Austin, Texas                                      Austin, Texas

RE: AGREEMENT NUMBER 178

Dear Sirs:

This letter sets forth the Agreement with International Business Machines Corporation (IBM) whereby the University of Texas at Austin, referred to as U.T., will render services to the Advanced Engineering Systems Independent Business Unit of IBM in Austin, Texas, subject to the following terms and conditions.

1. SCOPE OF WORK

Upon completion of the contract U.T. will provide IBM technical information resulting from a study on the thermal modeling of the Infrared Reflow, hereinafter referred to as IR, card assembly process. This goal will be accomplished by a combined experimental and analytical modeling effort to be performed at U.T. facilities. A portion of the equipment and hardware necessary for this investigation will be purchased, fabricated and/or supplied by IBM accordance with the attached Equipment Loan Agreement (ELA). Measurement facilities will be provided by U.T. Results from this research will consist of a detailed lumped parameter model capable of initial predictions of component temperature during the IR process. The model will be used to determine the level of sophistication necessary to predict thermal responses of actual card assemblies. A detailed description of the scope of this research is set forth in Appendix A.

U.T.'s services may include collaboration with and assistance to IBM personnel or others employed or retained by IBM.

96D0288A.TXT

Dr. T. Bergman  
Page 2  
September 28, 1988

As part of U.T.'s work product, U.T. will deliver to IBM the following Deliverables: <sup>use its best effort to</sup>

Quarterly progress reports, to include:  
progress/results to date  
goals for next quarter  
explanation of expected/perceived problems (if any)  
description of proposed solutions  
Presentation at Lab Technical Exchange Meeting  
six month presentations  
final presentation  
Final report documenting:  
all experimental and numerical findings  
final results  
conclusions and recommendations  
software listing for any developed programs pertinent to project.  
~~any additional information.~~

2. TERM OF SERVICE

- a. The term of this Agreement shall be from January 1, 1989 through December 31, 1989.
- b. If for any reason beyond U.T.'s control, including termination or inability to perform, U.T. does not complete its Services, IBM shall pay U.T. a prorata share of the fee measured by days of service. Such payments shall constitute the parties' entire liability in the event of termination or expiration. In no event shall such payment exceed the payment amounts specified in Section 4.

3. COORDINATION

At IBM, all matters pertaining to this Agreement are to be directed to:

Lawrence Buller  
Dept. 56D, Bldg. 045  
Austin, Texas  
(512) 838-6607

At U.T., all matters pertaining to this Agreement are to be directed to:

Dr. T. L. Bergman	or	Dr. G. Masada
Dept. of Mech. Engr.		Dept. of Mech. Engr.
The University of Texas at Austin		The University of Texas at Austin
Austin, Texas 78712-1063		Austin, Texas 78712-1063
(512) 471-3409		(512) 471-3061

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4. COMPENSATION

IBM shall pay U.T. a total of Fifty Thousand Dollars (\$50,000) in full payment for the work effort described in Section 1. Payment shall be made in full prior to December 15, 1988.

5. EXPENSE REIMBURSEMENT

In addition to the above-listed compensation, IBM shall reimburse U.T. for all reasonable travel and living expenses authorized in advance by IBM and incurred in connection with this Agreement. It is understood that reimbursements for travel and living expenses shall be in amounts which are consistent with those received by IBM employees performing comparable services on behalf of IBM.

6. INVOICES TO IBM

U.T. will submit invoices to IBM <sup>monthly</sup> ~~quarterly~~ for the ~~services furnished;~~ travel and living expenses incurred hereunder, ~~will be submitted~~ <sup>monthly</sup>. Invoices for travel and living expenses shall be accompanied by vouchers evidencing such expenses. IBM shall make payments to U.T. within thirty days (30) after receipt of an invoice.

All invoices will be addressed to the IBM Corporation, 11400 Burnet Road, Austin, Texas 78758, Attention: Lawrence Buller, Dept. 56D/Bldg 045.

7. CONFIDENTIAL INFORMATION

- a. "Confidential Information" shall mean that information: (1) disclosed to U.T. by IBM in connection with, and during the term of, this Agreement; (2) which relates to IBM's past, present, and future research, development, and business activities, and (3) which has been identified to U.T. at the time of disclosure as the Confidential Information of IBM.
- b. The term "Confidential Information" shall not mean any information which is previously known to U.T. without obligation of confidence or without breach of this Agreement, is publicly disclosed either prior or subsequent to U.T.'s receipt of such information, or is rightfully received by U.T. from a third party without obligation of confidence.

- c. For a period of five years from the date of disclosure, U.T. agrees to hold all such Confidential Information in trust and confidence for IBM and not to use such Confidential Information other than for the benefit of IBM or in compliance with governmental requirements for disclosure. Except as may be authorized by IBM in writing, for such period of time, U.T. agrees not to disclose any such Confidential Information, by publication or otherwise, to any person other than those persons whose services U.T. requires who have a need to know such Confidential Information for purposes of carrying out the terms of this Agreement, and who agree in writing to be bound by and comply with the provisions of this Section.
- d. Upon termination or expiration of this Agreement, U.T. will return to IBM all written or descriptive matter, including but not limited to drawings, blueprints, descriptions, or other papers, documents, tapes, or any other media which contain any such Confidential Information, ~~with the exception of one archival copy of the Deliverables.~~ In the event of a loss of any item containing such Confidential Information, U.T. shall promptly notify IBM in writing.
- e. U.T. agrees not to make any copies of any writings, documents, or other media containing the Confidential Information provided to U.T. by IBM. If copies of such writings, documents, or other media are necessary for performing U.T.'s services under this Agreement, they will be provided by IBM upon request by U.T..
- f. U.T. agrees to secure all writings, documents, and other media that embody such Confidential Information in locked files at all times when not in use to prevent its loss or unauthorized disclosure, and to segregate such Confidential Information at all times from the material of others. IBM agrees to pay all reasonable costs incurred by U.T. in accomplishing the foregoing. All such costs must be agreed to, in writing, by IBM prior to any expenditure by U.T..

- g. Except for any Inventions under Section 10 U.T. <sup>represents to the best of</sup> ~~warrants~~ that the information provided by U.T. to IBM is not confidential to U.T., nor is any information, including such Inventions, confidential or proprietary to any third party. With respect to such Inventions owned by U.T. and disclosed to IBM under Section 10, IBM will not disclose such Inventions outside of IBM and its subsidiaries for a period of six months from the time that U.T. notifies IBM as to where U.T. will seek patent protection. *its knowledge*

8. RIGHTS IN DATA

- a. With the exception of theses <sup>dissertations</sup> and other publications, IBM shall have the exclusive rights to all Deliverables specified in Section 1 of this Agreement prepared for or submitted to IBM by U.T. under this Agreement, including the rights to reproduce, distribute, and prepare derivative works, and to incorporate into IBM publications or products ideas contained in the Deliverables. U.T. shall have the right to use for its own purposes any original material written or developed by U.T. which is included in the Deliverables specified in Section 1, above. U.T. may use the Deliverables internally for research, educational, and related purposes.
- b. Pre-existing materials which are included in the Deliverables must be owned or licensable by U.T.. U.T. shall identify any such materials upon delivery of the Deliverables to IBM, and U.T. hereby grants to IBM (1) an irrevocable, nonexclusive, worldwide, royalty-free, fully paid-up license to use, execute, reproduce, display, perform, and distribute (internally and externally) copies of, and prepare derivative works based upon, such materials, and (2) the right to authorize others to do any of the foregoing.

- c. It is recognized that U.T. may wish to publish material based on the work done under this Agreement. With respect to any such material, U.T. agrees to provide IBM with a copy of the intended publication prior to its publication or submission to a publisher. IBM will have the right, within 60 days after its receipt, to require alterations or deletions in order to protect its confidential information and/or to protect IBM's ability to copyright or patent as provided in Sections 7, 8, 10, 11, and 12 of this Agreement, and/or to require that any reference to IBM be deleted from the intended publication. It is understood that IBM is granted an irrevocable, worldwide, nonexclusive, royalty-free, fully paid-up license to copy, republish, and translate any such published material to the extent any such right is permitted by the publisher.

9. WARRANTIES

- to the best of its knowledge and belief*
- a. U.T. represents and warrants that it is under no obligation or restriction nor will it assume any such obligation or restriction which would in any way interfere or be inconsistent with, or present a conflict of interest concerning, the services to be furnished by U.T. under this Agreement.
- b. U.T. represents and warrants to the best of its knowledge and belief the originality of the Deliverables recited in Section 1 and that no portion of the Deliverables, or their use or distribution, violates or is protected by any copyright or similar right of any third party.
- c. In providing its services under this Agreement, U.T. understands that IBM does not wish to receive from U.T. any information which may be considered confidential and/or proprietary to U.T. and/or to any third party. U.T. represents and warrants *to the best of its knowledge and belief* that any information disclosed by U.T. to IBM is not confidential and/or proprietary to U.T. and/or to any third party.

10. INVENTIONS

"Invention" means any idea, design, concept, technique, invention, discovery or improvement, whether or not patentable, that is conceived or reduced to practice in U.T.'s performance of its services during the term of this Agreement. U.T. shall promptly apprise IBM in writing of each Invention and why U.T. believes it is new. U.T. shall own each Invention except ~~(1)~~ Inventions U.T. makes with any of IBM's employees, which shall be jointly owned by U.T. and IBM, ~~and (2) Inventions relating to an appearance design, which U.T. hereby assigns to IBM.~~

11. INVENTION RIGHTS

- a. Each Invention, other than an Invention made jointly by U.T. and/or U.T.'s employees with one or more employees of IBM, shall be U.T.'s property, subject to a license which U.T. hereby grants to IBM. U.T. shall notify IBM promptly as to each country in which U.T. elects to seek protection by obtaining patent rights, at U.T.'s expense, or that U.T. elects not to seek such protection.
- b. If U.T. elects not to seek such protection on said Invention in any country or to seek such protection only in certain countries, IBM shall have the right to seek such protection, at its expense, on said Invention in any and all nonelected countries. In the event that U.T. elects not to seek such protection in any country, IBM shall also have the right to publish such Invention.
- c. Title to all applications filed on said Invention and all patents issuing thereon shall vest in the party seeking such protection subject to a license under said applications and patents hereby granted to the other party by the party seeking such protection. The party filing such applications shall promptly provide the other party with a copy of each application so filed and, upon request, copies of all official papers relating thereto.

- d. Inventions made jointly by U.T. and/or U.T.'s employees with one or more employees of IBM shall be jointly owned, title to all patents issued thereon shall be joint, all expenses incurred in obtaining and maintaining such patents shall be jointly shared (except as provided hereinafter), and each party shall have the right to license third parties thereunder without accounting. With respect to any joint Inventions, where one party elects not to seek or maintain such protection thereon in any particular country or not to share equally in the expenses thereof, the other party shall have the right to seek or maintain such protection at its own expense and shall have full control over the prosecution and maintenance thereof even though title to any patent issuing thereon shall be joint.
- e. All licenses granted to U.T. and to IBM under this Section 11 shall be worldwide, irrevocable, nonexclusive, nontransferable, and fully paid-up; shall include the right to make, have made, use, have used, lease, sell and/or otherwise transfer any product, and to practice and have practiced any method. All licenses granted to U.T. and to IBM in this Section 11 shall include the right of the grantee to grant revocable or irrevocable sublicenses to its Subsidiaries, such sublicenses to include the right of the sublicensed Subsidiaries correspondingly to sublicense other Subsidiaries.
- f. For purposes of this Agreement, the term "Subsidiary" shall mean a corporation, company, or other entity:
- (1) more than fifty percent (50%) of whose outstanding shares or securities (representing the right to vote for the election of directors or other managing authority) are; or
- (2) which does not have outstanding shares or securities, as may be the case in a partnership, joint venture, or unincorporated association, but more than fifty percent (50%) of the ownership interest representing the right to make the decisions for such corporation, company, or other entity is: ~~now or hereafter, owned or controlled, directly or indirectly, by a party hereto, but such corporation, company, or other entity shall be deemed to be a Subsidiary only so long as such ownership or control exists.~~
- Now or hereafter, owned or controlled, directly or indirectly, by a party hereto, but such corporation, company, or other entity shall be deemed to be a Subsidiary only so long as such ownership or control exists.

Dr. T. Bergman  
Page 9  
September 28, 1988

~~The parties agree that the foregoing provisions in this paragraph apply only with respect to utility inventions and patents issuing on them. U.T. hereby assigns to IBM, its successors and assigns, any invention relating to appearance designs together with the right to seek protection by obtaining patent rights or similar protection therefor and to claim all rights of priority thereunder, and the same shall become and remain IBM's property whether or not such protection is sought. U.T. shall, upon IBM's request and at IBM's expense, cause patent applications to be filed thereon, through solicitors designated by IBM and forthwith assigns all such applications to IBM, its successors, and assigns.~~

- g. In connection with the obtaining of patent protection by a party hereto, each party agrees to give the other party all reasonable assistance in connection with the preparation and prosecution of any patent application filed by the other party and shall cause to be executed all assignments and other instruments and documents as the other party may consider necessary or appropriate to carry out the intent of this Section 11.
- h. Nothing contained in this Agreement shall be deemed to grant either directly or by implication, estoppel, or otherwise, any license under any patents or patent applications arising out of any other inventions of either party.
- i. In performing its services under this Agreement U.T. agrees to avoid knowingly designing and/or developing any item that infringes one or more patents of any third party. If U.T. becomes aware of any such patent during the course of performing its services, U.T. agrees to notify IBM promptly in writing.

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12. GENERAL PROVISIONS

- a. The rights and obligations of Sections 7, 8, 10, 11, 16, and 20 shall survive and continue after any expiration or termination of this Agreement and shall bind the parties and their legal representatives, successors, heirs, and assigns.
- b. U.T. agrees to comply, and do all things necessary for IBM to comply, with all applicable federal, state, and local laws, regulations, and ordinances, including but not limited to the Foreign Corrupt Practices Act and the Regulations of the United States Department of Commerce relating to the Export of Technical Data, insofar as they relate to the services to be performed under this Agreement. U.T. agrees to obtain the required government documents and approvals prior to export of any technical data disclosed to U.T. or the direct product related thereto.

~~13. UNIVERSITY'S AGREEMENT WITH OTHERS~~

~~U.T. will have an appropriate agreement with each of its employees, students, or others whose services it may require sufficient to enable it to comply with all the terms of this Agreement.~~

13. OBLIGATION OF U.T. EMPLOYEES

U.T. employees, being subject to the rules and regulations of U.T. and the U.T. System Board of Regents, are obligated to assist in enabling U.T. to comply with all the terms of this Agreement.

14. TERMINATION

This Agreement may be terminated at any time, in whole or in part, with or without cause, by either party upon thirty (30) days' written notice to the other party.

In the event of termination or expiration of any work issued pursuant to this Agreement, all work being performed hereunder in U.T.'s possession shall be forwarded to IBM.

15. SOLE AGREEMENT

This Agreement shall supersede all prior agreements and understandings between the parties respecting the subject matter hereof. This Agreement may not be changed or terminated orally by or on behalf of either party.

16. IBM TRADEMARK

Notwithstanding any other provisions of this Agreement, U.T. shall have no right to use IBM's trademark, or trade name, or to refer to this Agreement or the services performed hereunder directly or indirectly, in connection with any product, promotion or publication without the prior written approval of IBM.

Notwithstanding any other provisions of this Agreement, neither party shall have the right to use the other's name, tradenames, or trademarks, or to refer to this Agreement or the services performed hereunder directly or indirectly, in connection with any product, promotion, or publication without the prior written approval of the other party.

17. TEXAS LAW

This Agreement shall be construed, and the legal relations between the parties hereto shall be determined, in accordance with the law of the State of Texas.

18. LIMITATION OF LIABILITY

~~U.T. AGREES TO INDEMNIFY AND SAVE IBM HARMLESS FROM AND AGAINST ANY AND ALL CLAIMS OF ANY KIND (ALONG WITH ATTORNEY'S FEES AND COSTS OF LITIGATION) INCLUDING, BUT NOT LIMITED TO, PERSONAL INJURY OR DEATH TO PERSONS OR DAMAGE TO PROPERTY, ARISING OUT OF, IN CONNECTION WITH, OR RESULTING FROM U.T.'S PERFORMANCE UNDER THIS AGREEMENT, TO THE EXTENT CAUSED IN WHOLE OR IN PART BY U.T., OR ANY OF U.T.'S SUBCONTRACTORS OR ANYONE DIRECTLY OR INDIRECTLY EMPLOYED BY U.T..~~

NEITHER PARTY SHALL BE LIABLE FOR ANY LOST REVENUE, LOST PROFITS, OR OTHER CONSEQUENTIAL DAMAGES UNDER ANY PART OF THIS AGREEMENT, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

U.T. SHALL, TO THE EXTENT AUTHORIZED UNDER THE CONSTITUTION AND LAWS OF THE STATE OF TEXAS, HOLD IBM HARMLESS FROM LIABILITY RESULTING FROM U.T.'S ACTS OR OMISSIONS WITHIN THE TERMS OF THIS AGREEMENT; PROVIDED, HOWEVER, U.T. SHALL NOT HOLD IBM HARMLESS FROM ANY CLAIMS, DEMANDS, OR CAUSES OF ACTION ARISING IN FAVOR OF ANY PERSON OR ENTITY, GROWING OUT OF, INCIDENT TO, OR RESULTING DIRECTLY OR INDIRECTLY FROM NEGLIGENCE (WHETHER SOLE, JOINT, CONCURRING OR OTHERWISE), OF IBM, ITS OFFICERS, AGENTS, OR REPRESENTATIVES, OR EMPLOYEES NOT SUBJECT TO U.T.'S SUPERVISION OR CONTROL.

19. VALIDITY

If any portion of this Agreement is held to be invalid by any court of law, the remaining portion shall continue in full force and effect.

20. ADVERTISING

U.T. shall not, without first obtaining the written consent of IBM, in any manner advertise or publish that U.T. has furnished or contracted to furnish to IBM, the material and/or services ordered hereunder. This paragraph shall not pertain to filing or disclosure required by statute, but shall apply only to voluntary public advertising.

21. EQUAL EMPLOYMENT OPPORTUNITY

There are incorporated in this Agreement the provisions of Executive Order 11246 (as amended) of the President of the United States on Equal Employment Opportunity and the rules and regulations issued pursuant thereto with which U.T. represents that U.T. will comply.

Dr. T. Bergman  
Page 13  
September 28, 1988

22. LOAN OF EQUIPMENT

IBM may loan to U.T. certain equipment, such as computer hardware or software, which IBM determines is necessary for U.T. to accomplish its work. Any such equipment and/or software loaned shall be specified in an Equipment Loan Agreement (ELA) which shall be executed by both parties before delivery of such equipment. The executed ELA shall be attached to this Agreement and its terms and conditions shall be incorporated into this Agreement. In the event of any inconsistency between the terms and conditions of an appended ELA and this Agreement, the terms and conditions of this Agreement shall take precedence.

If provisions stated herein are understood and acceptable to U.T., please sign and date in the area provided below and return one copy to W. L. Mitchell, 558/808W, IBM Corporation, 11400 Burnet Road, Austin, Texas 78758.

THE UNIVERSITY OF TEXAS AT AUSTIN

INTERNATIONAL BUSINESS  
MACHINES CORPORATION

BY: \_\_\_\_\_

BY: *Henry J. Gentry*

TITLE: \_\_\_\_\_

TITLE: STD LOCATION MGR

DATE: \_\_\_\_\_

DATE: 12/1/88

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APPENDIX A

The work to be completed by U.T. will consist of three phases as described below:

The first year investigation (Jan. 1, 1989 through Dec. 31, 1989) will consist of three phases of investigation. These are described in the following paragraphs.

1. An experimental facility will be designed by U.T. with parts purchased and/or fabricated by IBM according to the attached Equipment Loan Agreement (ELA). The experimental facility will simulate, as closely as feasible, IBM's IR process oven used for assembly of components onto printed circuit boards. The prototype oven will have the capability to vary air flow and air temperature as well as the irradiation level on the card assembly. The prototype will be used with actual card assemblies provided by IBM as well as test hardware designed and constructed by either IBM or U.T.
2. Measurements of the transient thermal response of the card assembly will be made by using an infrared thermal camera supplied by U.T. to be available at the start date of the contract. The thermal camera is expected to measure both the emitted and reflected characteristics of the card assembly components and, hence, novel computational techniques may be required to convert the radiosity information into actual temperature information. Radiative properties of the individual cards and components, necessary to perform the requisite transformations to temperature profiles, are to be measured in the spectral range of the thermal camera by using the thermal camera in a separate experimental facility to be constructed at U. T. Since appropriate facilities are not available at U.T. to measure properties outside the spectral range of the camera, estimates of the spectral radiative properties outside of the camera wavelength range will be made using vendor product information or theoretical extrapolation techniques.
3. The experimental effort is to be coupled to a modeling effort to predict the thermal response of a simulated card assembly to variations in the air flow characteristics and the level of thermal irradiation. The simulated cards will consist of both single and multiple module assemblies. The resultant model will incorporate surface radiative exchange principles requiring evaluations of appropriate view factors and estimation of radiative properties. The model predictions will be compared to the experimental results in order to estimate the modeling sophistication and complexity necessary to accurately predict the thermal response of the actual card assembly.

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Dr. T. Bergman  
Page 15  
September 28, 1988

The above work will be done using programs and programming techniques compatible with IBM computing hardware such that the results are readily transferable. U.T.'s services are to include collaboration with IBM personnel on matters directly related to the above research description. IBM will provide U.T. with the known input conditions as they presently pertain to the IR assembly process. IBM personnel will also provide U.T. with discrete thermal profiles of the reflow process to assist in the simulation and measurement of the thermal response of actual card assemblies.

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Dr. T. Bergman  
Page 16  
September 28, 1988

INTERNATIONAL BUSINESS MACHINES CORPORATION

EQUIPMENT LOAN AGREEMENT

NUMBER 178

This Agreement is made between International Business Machines Corporation, hereinafter called IBM, and the University, of Texas at Austin, hereinafter called U.T., in order that U.T. may complete the work for IBM as stated in Agreement No. 178. IBM agrees to loan to U.T. the equipment specified below on the terms and conditions set forth in this Equipment Loan Agreement.

The equipment shall consist of parts and pieces, determined by U.T. personnel as necessary, to build and/or fabricate a prototype infrared reflow oven. This shall include 'machine shop' support for special fabrication if the need exists. All assembly of the prototype oven using parts provided by IBM will be done at U.T. facilities by U.T. personnel.

To accommodate the numerical analysis, IBM will provide to U.T. an IBM PC-RT along with a copy of AIX and FORTRAN software. This will be made available to U.T. prior to 3/1/89.

Both parties agree as follows:

1. U.T. acknowledges that the equipment and/or software listed above, together with all drawings and other documentation with respect hereto, are the property of IBM. U.T. shall not mortgage, pledge, or encumber the equipment and/or software in any way.
2. During the time the equipment, software, and documentation are in U.T.'s possession, U.T. shall:
  - a. Provide the necessary utilities and environmental conditions required for proper operation of any furnished equipment. This will include power, lighting, and temperature control.

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- b. Develop and maintain the expertise to operate the equipment independent of IBM and ensure that the equipment complies at all times with all federal, state, and local governmental safety and other requirements (including OSHA regulations). If U.T. determines that equipment received from IBM fails to comply with any such requirements, U.T. shall promptly notify IBM, and IBM shall either replace the equipment or instruct U.T. to modify the equipment so that it complies, at IBM's expense.
  - c. Replace or repair all items lost, damaged, or destroyed, except to the extent U.T. proves to IBM that such loss, damage, or destruction is caused by circumstances beyond U.T.'s control. All replacement equipment and documentation shall become IBM property and shall be subject to all the terms and conditions of this Agreement.
3. IBM will provide service for the equipment without charge to U.T. during the term of this Agreement.
4. U.T. shall, to the extent authorized under the Constitution and laws of the State of Texas, hold IBM harmless from liability resulting from U.T.'s acts or omissions within the terms of this Agreement; provided, however, U.T. shall not hold IBM harmless from any claims, demands, or causes of action arising in favor of any person or entity, growing out of, incident to, or resulting directly or indirectly from negligence (whether sole, joint, concurring or otherwise), of IBM, its officers, agents or representatives, or employees not subject to U.T.'s supervision or control.
5. ANY EQUIPMENT, PROGRAMS, SOFTWARE, DOCUMENTATION OR SERVICES PROVIDED BY IBM UNDER THIS AGREEMENT WILL BE PROVIDED ON AN "AS IS" BASIS, WITHOUT ANY WARRANTIES OF ANY KIND EITHER EXPRESSED OR IMPLIED. THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE ARE EXPRESSLY DISCLAIMED.
6. IBM shall not be liable for any delays, losses, or other damages, including lost revenue, lost profits, or other consequential damages, even if advised of the possibility of such damages, which may result from the furnishing of, or the possession or use of, any IBM supplied equipment by U.T.
7. IBM reserves the right to inspect the equipment, software, and documentation at all reasonable times. U.T. shall not move the equipment, software, or documentation to another location without the prior written approval of IBM.

8. U.T. may add on features to the equipment which are purchased by U.T., but shall not alter any equipment, software, or documentation in any other manner whatsoever without the prior written approval of IBM. Further, U.T. shall not purchase, design, or fabricate any additional or replacement equipment for IBM ownership without the prior written approval of IBM.
9. The equipment, documentation, and any IBM licensed programs (including any licensed optional materials) provided by IBM shall be used by U.T. solely for the purpose stated in Agreement Number 178. Any deviation or use of the equipment, documentation, or software for other than this purpose must have the prior written approval of IBM.
10. U.T. agrees to ensure that all users of the software understand and abide by the Licensed Program Agreements and their associated terms and conditions which provide for the handling and use of such software.
11. U.T. agrees to ensure that software or documentation is not copied to avoid payment of applicable royalties. Copies of software or documentation may be made only as allowed by the applicable license agreement.
12. The right to use the equipment, software, and documentation furnished by IBM under this Agreement may be terminated by IBM on ten (10) days' notice. Within one (1) week after termination of such right, U.T. shall return all equipment, software, and documentation to IBM without cost, except that transportation charges shall be billed collect. In such cases, IBM will pay for reasonable special packing charges where appropriate. If for any reason U.T. shall fail to comply promptly with such a request, IBM shall have the right to enter U.T.'s premises to remove the equipment, software, and documentation and U.T. expressly waives any rights or remedies U.T. has with regard to the IBM equipment, software, and documentation, including but not limited to any right U.T. has to notice and a hearing or to a bond, undertaking, or surety before a writ of replevin, order of seizure, or similar writ or order will issue or become enforceable.
13. If for any reason U.T. is unable to continue using the equipment, software, and documentation, U.T. shall notify IBM immediately and shall return to IBM such equipment, software, and documentation without cost except that transportation charges shall be billed collect. In such cases, IBM will pay for reasonable special packing charges where appropriate.
14. Upon the expiration of Agreement Number 178, IBM will reevaluate the loan of the hardware, software, and documentation and may elect one of the following options.

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Dr. T. Bergman  
Page 19  
September 28, 1988

- a. IBM may reclaim the hardware, software, and documentation as specified in Paragraph 12.
  - b. IBM may offer to extend the loan agreement for an additional period to be specified by IBM at that time.
  - c. IBM may elect some other option as it deems appropriate.
15. The terms and conditions of this ELA shall be subject to the terms and conditions of Agreement No. 178, to which it is appended. In the event of any inconsistency between the terms and conditions of this ELA and the Agreement attached, the terms and conditions of that Agreement shall take precedence.

THE UNIVERSITY OF TEXAS AT AUSTIN

INTERNATIONAL BUSINESS  
MACHINES CORPORATION

BY \_\_\_\_\_  
TITLE \_\_\_\_\_  
DATE \_\_\_\_\_

BY *Jimmy T. Co. III*  
TITLE *SID AUSTIN III*  
DATE *12/1/88*

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2. U. T. Austin: Recommendation for Approval of Sponsored Research Agreement with SEMATECH, Inc. and The Semiconductor Research Corporation, Both of Austin, Texas (Exec. Com. Letter 89-11).--

#### RECOMMENDATION

The Executive Committee concurs in the recommendation of the Chancellor, the Executive Vice Chancellor for Academic Affairs and President Cunningham that approval be given to the proposed sponsored research agreement set out on Pages Ex.C 24 - 40 among U. T. Austin, SEMATECH, Inc. and The Semiconductor Research Corporation, both of Austin, Texas.

#### BACKGROUND INFORMATION

Pursuant to this proposed sponsored research agreement, SEMATECH, Inc. will provide \$890,609 to establish a SEMATECH University Center of Excellence in Texas. The project will be directed by Dr. Willis Adcock, Professor of the Department of Electrical and Computer Engineering. Dr. Adcock's proposal was for five years with a proposed budget of \$4,452,826. The pending contract provides the requested first year budget which may be extended by mutual agreement.

The U. T. Board of Regents adopted "Policy and Guidelines for the Negotiation, Review and Approval of Sponsored Research Projects with Nonprofit and for Profit Nongovernmental Entities" on December 5, 1985, and authorized institutions to seek U. T. Board of Regents' approval for agreements conforming to the Guidelines through inclusion of the agreements in the institutional dockets. Pursuant to the Regents' Rules and Regulations, Part Two, Chapter V, Subdivision 2.492 related to intellectual property, proposed agreements deviating substantially from the Guidelines require appropriate administrative approval and submission to the U. T. Board of Regents via the agenda.

The proposed SEMATECH, Inc. agreement presented herein requires the granting of a "world-wide, unrestricted, royalty-free nonexclusive license" to utilize results of the SEMATECH, Inc. funded project. The royalty-free aspect of the license deviates from the Guidelines which require at Part (b) that "The sponsoring entity may have an option for either an exclusive or nonexclusive right to a license to develop and commercialize any intellectual property from the project for a royalty in an amount to be negotiated." President Cunningham and officials of System Administration are of the opinion that the potential benefits to be gained from the agreement with the royalty-free license outweigh potential negotiated royalties for possible intellectual property related to project results. Additionally, the proposed research offers contributions to the graduate education/research mission that provide gains potentially greater than any which might accrue from intellectual property resulting from the proposed SEMATECH, Inc. funded research and will further enhance the University's position of excellence in semiconductor manufacturing technology.

SEMATECH, INC.  
UNIVERSITY CENTER OF EXCELLENCE  
CONTRACT FOR RESEARCH SERVICES  
WITH  
THE UNIVERSITY OF TEXAS AT AUSTIN

This Contract is entered into as of \_\_\_\_\_, 1988, by SEMATECH, INC. ("SEMATECH"), THE SEMICONDUCTOR RESEARCH CORPORATION ("SRC") and THE UNIVERSITY OF TEXAS AT AUSTIN ("University").

RECITALS:

A. SEMATECH has determined that University can provide valuable research which will serve to increase knowledge and understanding in the field of semiconductor manufacturing technology.

B. University is qualified, staffed and equipped to perform such research.

C. SRC has expertise and experience in managing such research and is qualified and staffed to manage the research on behalf of SEMATECH.

THEREFORE, THE PARTIES AGREE:

1. Scope of Work.

1.1 University, as an independent contractor, shall perform the research services described in University's Proposal, dated August 12, 1988 attached as Exhibit A\* University shall furnish all necessary personnel, materials, equipment, facilities, etc. as may be required to perform the research services.

\* Not on file in the Office of the Board of Regents

2. Period of Performance.

2.1 The term of this Contract shall commence on September 1, 1988 and extend through August 31, 1989. The term may be extended by mutual written agreement between SEMATECH, SRC and University.

3. Approved Budget and Payment.

3.1 University is authorized to incur and expend \$890,609.00 under this contract as more fully described in the University's Budget, attached as Exhibit B\*("Approved Budget"). The University will use its best efforts to perform all work and all obligations under this Contract within the Approved Budget.

3.2 The University will submit vouchers or invoices once each month for costs incurred under this Contract within the immediately preceding month to the SRC at the following address:

Finance Office  
c/o Semiconductor Research Corporation  
P. O. Box 12053  
Research Triangle Park, NC 27709

3.3 Payments for Direct costs incurred under this Contract will be in accordance with the University's Budget, Exhibit B\*.

3.4 Payments for Indirect Costs incurred under this Contract will be subject to negotiation between the University and the SRC and must be within the Approved Budget, but in no case will exceed the University's rates approved by its cognizant Government audit agency. University's Cognizant Government Audit Agency is: Department of Health & Human Services.

\* Not on file in the Office of the Board of Regents

3.5 Prior written approval of the SRC must be obtained for incurrence of costs other than those contained in the Approved Budget.

4. Reports.

4.1 During the term of this Contract and any extensions thereof, University shall submit periodic written progress reports to SEMATECH and SRC on a recurring four (4) months basis. Each such report shall summarize, in detail, the research services performed, significant research findings, actual accomplishments as compared with proposed goals for the previous four (4) months (the "Reporting Period"), any current problems, any non-expendable equipment acquired or assembled by University falling within the intent of Paragraph 7 of this Contract, and the research services to be performed during the succeeding four (4) months. Further, each such report shall be submitted to SEMATECH and SRC within two (2) calendar weeks of the completion of the Reporting Period to which it pertains.

4.2 In the event the term of this Contract is extended pursuant to Paragraph 18, University shall submit to SEMATECH and SRC during the extension period an annual written progress report to SRC within ninety (90) days of an anniversary date of this Contract, setting forth a detailed description of the research services performed and the research findings obtained during the preceding year of the Contract.

4.3 Within ninety (90) days of completion of this Contract, University shall submit to SEMATECH and SRC a final written report, detailing the research services performed and the research findings of all major tasks during the term of this Contract.

4.4 Special written reports detailing the research findings of individual major tasks may be submitted by University at the conclusion of each such major task, in lieu of including such findings in the annual report, but details shall be included in the final report.

4.5 University shall be available to discuss with SEMATECH and SRC any reports submitted pursuant to this paragraph and provide additional information which it has on hand to supplement such reports, upon the written request of SEMATECH and/or SRC.

4.6 Any of the reports submitted pursuant to this paragraph may be made available by SEMATECH to any of its Members, as hereafter defined in Paragraph 12.1(c), who may use the contents thereof for any purpose.

4.7 University shall provide twelve (12) additional unbound, camera-ready copies of each of the reports submitted pursuant to this Paragraph 4, at the following addresses:

SEMATECH, INC. (6 Copies)  
2706 Montopolis Drive  
Austin, Texas 78741  
Attention: Director of External Resources

SRC Publications Office (6 Copies)  
Semiconductor Research Corporation  
P. O. Box 12053  
Research Triangle Park, NC 27709

5. Site Visits.

5.1 SEMATECH and each its Members and SRC, shall have the right, during the normal business hours of University and at

reasonable intervals, to make site visits to University's site to review research findings and accomplishments, and the like, and to provide such assistance to University as may be appropriate. Site visits by SEMATECH Members will be coordinated by the Contract Monitors of SRC and University and will be made so as not to unreasonably interfere with University's research and other activities.

6. Contract Monitor.

6.1 Dr. Turner Hasty is designated as the SEMATECH Contract Monitor for this Contract. Dr. William Holton is designated as the SRC Contract Monitor. Dr. Willis Adcock is designated as University's Contract Monitor. Each Contract Monitor will represent its respective principals in all matters relating to the performance of this Contract, including providing the technical advice and general supervision of the research services performed. The Contract Monitors are not authorized to extend the term or amend or to authorize deviations from provisions of this Contract.

7. Property.

7.1 In the event nonexpendable (capital) equipment with a value of One Thousand Dollars (\$1000) or more is acquired or assembled by University with funds received under this Contract, University shall annually advise SRC in writing regarding the status and condition of all such equipment and further agrees not to dispose of any such equipment without the prior approval of SRC. Title to any such equipment shall reside in University. University shall be

responsible for the maintenance of any such equipment. Upon the completion or other termination of the Contract, SRC will provide disposition instructions to University.

8. Publications.

8.1 It is anticipated that University may publish papers or otherwise disseminate information regarding technical developments and/or research findings made by University under this Contract. A copy of each such paper or a resume of the proposed dissemination of information shall be submitted to SEMATECH and SRC, at the addresses given in Paragraph 4.7, for review and comment, not less than ninety (90) days prior to the date of the proposed publication or dissemination. SEMATECH and/or SRC may request reasonable changes and/or deletions be made in any proposed publication or dissemination. If SEMATECH/and or SRC believes that any subject matter to be published or disseminated warrants patent protection, SRC will identify the subject matter requiring protection and notify University pursuant to this Paragraph 8.1. To allow for the filing of patent applications, publication or dissemination of such subject matter shall be delayed until such time that University has completed the filing of a United States patent application relating to the identified subject matter, pursuant to Paragraph 12.4(b).

8.2 University shall use all reasonable efforts to file appropriate patent applications relating to subject matter identified as warranting patent protection prior to any actual publication or dissemination of such subject matter.

9. Personnel.

9.1 Key Personnel. The personnel listed below are to be assigned by University to perform the research services under this Contract. If, for any reason, any of such personnel, other than the Principal Investigator, is unable to continue to work on the Contract, University shall provide a successor of similar skills and qualifications. Any successor to the Principal Investigator shall be subject to the acceptance of SRC. If the parties are unable to agree on a successor Principal Investigator, the Contract may be terminated by SEMATECH and/or SRC, as provided in Paragraph 15.1.

Dr. Willis A. Adcock  
Department of Electrical and Computer Engineering  
The University of Texas at Austin

9.2 Graduate Students. SEMATECH and its Members recognize the importance of qualified graduate students to the semiconductor industry. University agrees to provide biographical information to SRC on all graduate students supported in full or in part by this Contract using the format attached as Exhibit C.\* Such information shall be provided by October 15th of each calendar year. Also, University will inform SRC when support with respect to any graduate student is terminated.

9.3 Restriction. The University shall not assign persons to research supported by the SEMATECH who are employees of or on leaves of absence from commercial entities which are not eligible for membership in SEMATECH, as eligibility for membership in SEMATECH is defined in Section 2.2(a) of SEMATECH Bylaws, attached as Exhibit D.\* This paragraph shall not be applicable, nor in any way interpreted to prevent any graduate or undergraduate student at University's institution from participating in SEMATECH-supported research.

\* Not on file in the Office of the Board of Regents

10. Standards of Work.

10.1 University agrees that performance of research services pursuant to this Contract shall conform to the highest professional standards.

11. Subcontracts.

11.1 No part of the research services to be performed under this Contract may be accomplished by subcontract, except with the prior written approval of SRC's Contract Monitor.

12. Patents and Copyrightable Material.

12.1 The following definitions are used herein:

(a) "Invention" means any idea, design, concept, technique, invention, discovery or improvement, whether patentable or not, which is conceived and/or actually reduced to practice by one or more employees (hereafter "employee") of University, in the performance of research services pursuant to this Contract.

(b) "Copyrightable Material" means all works of authorship, including but not limited to, computer software including computer programs, data bases, and documentation, and mask rights protectable under the Semiconductor Chip Protection Act which result from the performance of research pursuant to this Contract.

(c) "Member" means a company or organization which is a member in good standing in accordance with Section 2.2(a) of SEMATECH'S Bylaws. A list of SEMATECH Members will be furnished by SRC to University upon request during the term of this Contract.

(d) "Joint Invention" means any Invention made by one or more employees of University and one or more employees of SEMATECH or any of its Members in the performance of research services pursuant to this Contract.

(e) "Derivative Work" shall have the meaning as set forth in 17 USC 101 and specifically means a revision, modification, translation, abridgment, condensation or expansion of the Copyrightable Material, or any other form in which such Copyrightable Material may be recast, transformed or adapted and which, if prepared without the authorization of the copyright owner, would constitute infringement.

12.2 Ownership of Inventions and Copyrightable Material shall be determined, as follows:

(a) Ownership of Inventions made by employees of University and resulting from the performance of research services pursuant to this Contract shall vest in University.

(b) Ownership of copyrights in Copyrightable Material resulting from the performance of research services pursuant to this Contract shall vest in University and/or any Member employing the author or authors, each to act without accounting to the other.

(c) Ownership in Joint Inventions shall vest jointly in the University and SEMATECH and/or any of its Members whose employee(s) is named as one of the joint inventors, each to act without accounting to the other.

(d) An invention made solely by one or more employees of SEMATECH or any of its Members shall belong exclusively to SEMATECH or such Member, without license to University. As herein intended, an "invention" is commensurate with definition of Invention given in Paragraph 12.1(a), except that no employee of University is named as an inventor.

12.3 University represents and warrants that it has or shall obtain suitable written agreements with its employees and all graduate students and other persons, other than employees of SEMATECH Members, who are assigned to perform research services under this Contract, whereby ownership of any Invention or Joint Invention made and of any copyrights in Copyrightable Material authored by any such employee, graduate student or other person in the performance of such research services shall vest in University, in complete compliance with Section 12.2.

12.4 Patent applications shall be processed as follows:

(a) University will disclose in writing each Invention or Joint Invention to SRC promptly after disclosure by the inventor(s) to University.

(b) University may elect, or SRC may require University, to effect the filing of a United States patent application relating to any Invention or Joint Invention. Any such filing shall be completed within ninety (90) days of disclosure by University to SRC. University shall provide SRC a copy of such United States patent application promptly upon filing thereof, along with filing particulars (e.g. serial number, filing date, etc.). Also, University may elect, or SRC may require University, to file corresponding patent applications in selected foreign countries, which filings shall be completed within one (1) year of the filing of the United States patent application. University will advise SRC of the filing particulars of each patent application filed in any such foreign country. Also, upon request by SRC, University will advise SRC of the status of each of the filed patent applications. Upon submission of appropriate invoices, accompanied by appropriate documentation, SRC

will reimburse University for actual third-party costs incurred by University in connection with any such filing, prosecution, and maintenance of any such patent application and the maintenance of any resulting patent, the filing of which was required by SRC. Any such reimbursement shall be made within thirty (30) days of receipt of each such invoice. Also, University will, at SRC's cost and expense, bring any necessary action to enforce any resulting patent, and if required by SRC, allow SRC or its designee to control such action.

(c) If SRC does not require University to file a patent application relating to any Invention or Joint Invention in a particular country, then University shall have the right to: (1) file a patent application in any such particular country and maintain any resulting patent, at no expense to SRC, or (2) place such Invention or Joint Invention in the public domain by publication or other dissemination of the subject matter thereof. If University elects not to pursue either (1) or (2), SRC and/or SEMATECH shall have the right to effect such publication or dissemination.

13. Licenses.

13.1 To the extent that University has the right, SEMATECH is hereby granted an irrevocable, nonexclusive, royalty-free, worldwide license under any copyrights or mask works in the Copyrightable Material to (i) use, execute, reproduce, display, perform, distribute (internally or externally) copies of, and prepare Derivative Works based upon such Copyrightable Material, in any form and in any language, and (ii) authorize SEMATECH Members to do any, some or all of the foregoing, all without accounting obligation.

13.2 To the extent that University has the right, SEMATECH is hereby granted an irrevocable, nonexclusive, royalty-free,

worldwide, unrestricted license under any Invention and any Joint Invention, with the right to sublicense SRC Members, without accounting obligation. SEMATECH may elect, in its sole discretion, to take an exclusive, irrevocable, worldwide, royalty-bearing license under any Invention or under University's interest in any Joint Invention, including the right to sublicense SEMATECH Members. SEMATECH or SRC shall advise University within ninety (90) days of filing of the United States patent application relating to any Invention or Joint Invention by University whether or not SRC elects to take an exclusive license, the terms and conditions of such exclusive license, including the length of exclusivity, royalty rates and diligence, shall be negotiated in good faith by SEMATECH and University.

13.3 University shall establish appropriate procedures to insure that its employees appropriately document the progress of the research services performed under this Contract, by way of engineering notebooks or the like, and report to University any Inventions or Joint Inventions made in the performance of research services under this Contract. Upon request of SRC, any such documentation shall be made available by University to SRC, who may make copies of any portion thereof for any purpose.

13.4 If an Invention or Joint Invention is subject to both a government funding agreement and SEMATECH funding agreement, and if title thereto is conveyed to an agency of the U.S. Government, SEMATECH and/or University may each petition the U.S. Government for a license.

13.5 If an Invention or Joint Invention may be subject to both third party non-government and SEMATECH funding, University shall

advise SEMATECH immediately upon so determining, and University shall cooperate in arranging an equitable allocation of rights.

14. Accounting and Final Adjustment.

14.1 University shall maintain accounting records for this Contract in accordance with its regular policies and sound accounting principles. SRC shall have the right to examine University's accounting records for up to one (1) year following the expiration or termination of this Contract. A final accounting of all funds received and expended under this Contract shall be submitted to SRC at the address set forth in Paragraph 3.2 within one hundred twenty (120) days following the expiration or termination of this Contract together with a check, if appropriate, for the excess of funds received over those expended.

14.2 The SEMATECH Director of External Resources, the President of the SRC, and, if required by law or contract, the Director of the National Science Foundation (NSF) and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access to any pertinent books, documents, papers, and records of University to make audits, examinations, excerpts and transcripts. Further, any negotiated subcontract in excess of \$10,000 made by University shall include a provision to the effect that SEMATECH, SRC, and, if required by law or contract, NSF, the Comptroller General, or any of their duly authorized representatives, shall have access to pertinent records for similar purposes.

15. Termination.

15.1 If, in the opinion of SEMATECH, SRC or University, continuation of this Contract would not produce results commensurate

with the expenditure of further funds required, or for any other reason, any party may elect to terminate the Contract upon sixty (60) days written notice to the other party.

15.2 If, in the opinion of SEMATECH, SRC or University, the other party has been deficient in performing any of its obligations under this Contract, written notice shall be given stating the nature of the deficiency and advising that failure to correct the deficiency may result in termination of the Contract. Such other party shall respond in writing within thirty (30) days, describing the action taken or the plan designed to correct such deficiency. If the response is not satisfactory to the notifying party, the Contract may then be terminated by such party.

15.3 If this Contract is terminated pursuant to this Paragraph 15, direct costs incurred by University prior to the date of termination shall be paid by SEMATECH to the extent such costs would have been allowable had this Contract not been so terminated.

15.4 In the event of termination of this Contract, SEMATECH shall continue to have all license rights granted pursuant to Section 13.

16. Excusable Delays.

16.1 University shall not be in default by any reason of any failure in performance of this Contract (including any failure by University to make progress in prosecution of research hereunder which endangers such performance) if such failure arises out of causes beyond the control and without the fault or negligence of University.

17. Insurance.

17.1 University shall procure and maintain such insurance as is required by laws of the state in which it is located. As a

minimum, University shall procure and maintain the following types and amount of insurance:

- (a) Worker's Compensation and occupational health insurance in amounts sufficient to satisfy state law;
- (b) Employer's liability insurance, where available;
- (c) Public liability insurance, on the comprehensive form of policy, in the amount of Two Hundred Thousand Dollars (\$200,000) per claimant and Five Hundred Thousand Dollars (\$500,000) per occurrence.

With respect to any insurance policy, all or part of the premium of which University proposes to treat as a direct cost under this Contract, and with respect to any proposed qualified program of self-insurance, the written approval of SRC must be obtained prior to any claim payment therefor. University shall be reimbursed for the portion allocable to this Contract.

18. Amendments to Contract.

18.1 The term and also any of the provisions of this Contract may be amended, from time to time, by written agreement between the parties hereto.

19. Notification of Co-Sponsors.

19.1 SEMATECH does not intend to preclude University from entering into other contracts or agreements with other parties. University will advise SRC of any of key personnel's other research which is related to the work to be performed under this Contract or involving similar technology ("Related Sponsored Research"). All current and pending Related Sponsored Research in progress at the time of this Contract, if any, is listed on the Exhibit E\* attached hereto, with a description of the research project and of its sponsors.

\* Not on file in the Office of the Board of Regents

University will also advise SEMATECH of any Related Sponsored Research which commences during the term of this Contract (i.e., keeping Exhibit E\*up to date), so that SEMATECH rights established in Paragraphs 13.4 and 13.5 are protected.

20. Compliance With Laws and Regulations.

20.1 This Agreement is subject to all applicable laws, rules, regulations, licenses and approvals of any duly constituted governmental authority having jurisdiction. Each party to this Agreement shall obtain, in a timely manner, all such licenses and approvals and shall comply with all applicable laws, rules and regulations, including, but not limited to, the Regulations of the United States Department of Commerce relating to the Export of Technical Data or the direct product related thereto.

21. Miscellaneous.

21.1 SEMATECH, SRC and University shall not use the name of the other in connection with any products, publicity, promotion, or advertising without prior written permission.

21.2 Any technical paper, article, publication, or announcement of technical advances generated in connection with work done under this Contract, during the period of performance of the Contract or in the future, shall give credit to SEMATECH as the sponsor of the work.

21.3 If any provision of this Contract shall be held to be invalid, illegal, or unenforceable, the validity, legality and enforceability of the remaining provisions of this Agreement shall in no way be affected or impaired thereby.

\* Not on file in the Office of the Board of Regents

22. Applicable Laws.

22.1 This Contract shall be construed and interpreted solely in accordance with the laws of the State of Texas as if the Contract were to be wholly performed within the State of Texas by residents of the State of Texas.

SEMATECH, INC.

By \_\_\_\_\_

Robert M. Noyce

Title: President & Chief Executive Officer

SEMICONDUCTOR RESEARCH CORPORATION

UNIVERSITY OF TEXAS AT AUSTIN

By \_\_\_\_\_

Larry W. Sumney

Title: President

By \_\_\_\_\_

STEPHEN A. MONTI  
VICE PROVOST

Title: \_\_\_\_\_

3.10 (September 21, 1988)

3. U. T. Austin: Request for Approval of Proposed Special Use Allowance Agreement with the U. S. Department of the Navy; Request for Authorization for the Executive Vice Chancellor for Academic Affairs to Execute Agreement and Recommendation for Concurrence in Proposed Funding for Facility Construction and Renovation (Exec. Com. Letter 89-11).--

#### RECOMMENDATION

The Executive Committee concurs in the recommendation of the Chancellor, the Executive Vice Chancellor for Academic Affairs and President Cunningham that the U. T. Board of Regents:

- a. Approve a Special Use Allowance Agreement with the U. S. Department of the Navy in consideration for certain federally sponsored research projects to be conducted in facilities to be provided by U. T. Austin
- b. Authorize the Executive Vice Chancellor for Academic Affairs to execute, on behalf of the U. T. Board of Regents, the agreement set out on Pages Ex.C 43 - 45, or a substantially equivalent agreement, after its approval by the Office of General Counsel and its execution by the federal government
- c. Concur in U. T. Austin's use of up to \$3.5 million in Permanent University Fund (PUF) Bond Proceeds allocated under the U. T. System Capital Improvement Program for campus repair/rehabilitation projects to provide advance construction funds for new facilities at the Applied Research Laboratory at the Balcones Research Center, with the understanding that Navy payments under the Special Use Agreement will be used to replace advanced PUF bond proceeds and/or to finance U. T. Austin projects deferred as a result of this advance and that resultant construction project(s) are subject to normal administrative and Board approval requirements.

#### BACKGROUND INFORMATION

U. T. Austin has enjoyed a strong forty-year working relationship with the Department of the Navy and the Department of Defense. The Navy has proposed a Special Use Allowance Agreement ancillary to funding an expanded research program at the Applied Research Laboratory at the Balcones Research Center. The agreement has a term of ten years and provides

monthly amortization payments to U. T. Austin of \$29,167 for 120 months or \$350,000 annually. The agreement calls for the University to advance finance construction of adequate facilities to handle the research program expansion. The Navy, as sponsor of the research, is to pay back construction costs over the ten-year period of the agreement. This was the method used in the 1960s to construct current facilities occupied by the Applied Research Laboratory.

## AGREEMENT FOR SPECIAL USE ALLOWANCE

This agreement entered into as of 1 October 1988 by and between the UNITED STATES OF AMERICA (hereinafter called "the Government") represented by the Commander, Space and Naval Warfare Systems Command, Department of the Navy, or his authorized representative executing this agreement, and the UNIVERSITY OF TEXAS, a non-profit educational institution of higher learning of the State of Texas (hereinafter sometimes referred to as the "Contractor") represented by an official authorized to execute this agreement;

### WITNESSETH:

WHEREAS the Contractor in furtherance of its educational purposes is performing research and development contracts for the DEPARTMENT OF THE NAVY and other agencies of the Government; and

WHEREAS certain research facilities described in this agreement are required in the performance of such contracts, but it is not practical or desirable for the Government to provide the same as Government-owned facilities; and

WHEREAS the Contractor is willing to construct such facilities at its own expense provided that a special use allowance is permitted in accordance with the authority stated in Subpart 35.015(70) of the DOD FAR Supplement;

NOW, THEREFORE, the parties hereto agree as follows:

1. The Applied Research Laboratories of the University of Texas at Austin, located on the Balcones Research Center, will construct a research facility, hereinafter called "the Research Facility". The Government agrees to recognize amounts for a special use allowance for the purpose of amortizing that portion of the acquisition cost of the Research Facility that is allocable to the performance of said contracts. Such special use allowance shall be in addition to those costs specified as allowable in the Schedule of the clause of the General Provisions thereof entitled "Allowable Costs, Fixed Fee, and Payments" or equivalent applicable clause.
2. The amounts agreed upon to be recognized for special use charge shall be computed on the basis of charging the aforesaid Government contracts with the portion allocable thereto of one-tenth (1/10) per annum of the total acquisition cost of the Research Facility during the Amortization Period. It is recognized that a premise of this agreement is the expectation that Government funding for research and development work by the Contractor will remain at a level such that amounts chargeable for the special use allowance will not be reasonably large in relation to the extent of Government funding. If during any consecutive period of six months during the Amortization Period the Contractor's level of research and development effort under all Government contracts with the contractor, measured in terms of the Contractor's direct cost for personnel, including fringe benefits, shall total less than \$3,500,000.00, then, if requested by the Contracting Officer, there shall be negotiated an equitable reduced special use allowance for application in lieu of the allowance otherwise provided until during six consecutive months the total of the Contractor's level of effort shall have equalled or exceeded \$3,500,000.00.

3. The Amortization Period shall be the period of ten (10) years from the date on which the Research Facility, following substantial completion thereof, is occupied and used for the performance of research and development work under any Government contract with the Contractor.
4. The amount of the special use allowance applicable to any given period shall be equitably apportioned to all contracts and work utilizing the Research Facility which is performed by the Contractor during the period. Accordingly, if concurrent use is made of the Research Facility for the Government and for parties other than the Government, the portion of the special use allowance which is allocable to such other work shall not be charged to the Government. The special use allowance provided shall not be applicable during periods when there is not in existence any Government contract with the Contractor.
5. It is understood and agreed that the special use allowance provided, covering the acquisition and construction costs of research facilities to be financed by the University of Texas, relates to buildings, structures and real property (other than land) comprised of a new research building. In computing the total acquisition cost of the Research Facility there shall not be included any of the following:
  - (i) costs for operation of the Research Facility;
  - (ii) any amount for costs of land or for interest charges on capital, used or borrowed, for the acquisition of the Research Facility, it being understood by the Contractor that no payment for any of the costs and charges is to be made under any Government contract;
  - (iii) any costs for acquisition of the Research Facility exceeding \$3,000,000.00.

The Contractor agrees that, prior to the solicitation for bids for the construction contract, the final plans and specifications for such construction, and any subsequent changes thereto, shall be submitted by the Contractor to the Contracting Officer of the Space and Naval Warfare Systems Command, or his duly authorized representative, for review and approval. The Contracting Officer reserves the right to take such action and issue such instruction to the Contractor in connection with such construction as are deemed necessary to protect the interest of the Government.

6. Additional Terms and Limitations

The Special Use Allowance Agreement shall be incorporated in each applicable contract.

Since the Special Use Allowance is based on the total acquisition cost, no normal use allowance or other use or depreciation charge for the use of the Research will apply during the special allowance period nor after the University has recovered the total acquisition cost,

During the period of Special Use Allowance, the research facility shall be available for Government research use on a priority basis.

When more than one Government contract is being performed, the special use allowance

will be allocated to all contracts on an equitable basis.

If any substantial use is made of the research facility for parties other than the Government, only an allocable share of the Special Use Allowance shall be charged to the Government.

The Special Use Allowance shall not include any maintenance, utilities, or other operational costs.

The amount of the Special Use Allowance shall be based on the comparative need for the research facility by the Government and the University. The University will not be paid more than the acquisition cost.

In establishing the annual Special Use Allowance, consideration shall be given to rental costs for similar space in the Northwest Austin, Texas area, and

Information copies of the Special Use Allowance Agreement shall be furnished to the Commander, Navy Space and Warfare Systems Command, Deputy Under Secretary (Research and Advanced Technology, and Office of the Under Secretary of Defense for Research and Engineering.

IN WITNESS THEREOF, the parties have executed this supplemental agreement as of the date written above.

UNITED STATES OF AMERICA  
Department of the Navy

THE UNIVERSITY OF TEXAS

By \_\_\_\_\_

By \_\_\_\_\_

Title \_\_\_\_\_

Title \_\_\_\_\_

4. U. T. Austin - Energy Conservation Projects: Request for Authorization of Project; Submission to Coordinating Board; Completion of Final Plans, Advertise for Bids and Award of Contracts by U. T. Austin Administration; and Appropriation Therefor (Exec. Com. Letter 89-11).--

#### RECOMMENDATION

The Executive Committee concurs in the recommendation of the Chancellor, the Executive Vice Chancellor for Academic Affairs and President Cunningham that the U. T. Board of Regents:

- a. Authorize an energy conservation project to include approximately 40 items in 16 buildings on the U. T. Austin campus at an estimated combined total project cost of \$3,985,954
- b. Authorize submission of the project to the Texas Higher Education Coordinating Board
- c. Authorize completion of final plans and specifications and, subject to approval of the Coordinating Board, advertisement for bids, award of construction contracts and completion of the project by U. T. Austin Administration with its own forces or through contract services, as required, in consultation with the Office of Facilities Planning and Construction
- d. Appropriate \$3,522,547 from the unexpended balance of U. T. Austin fiscal year 1988 utility appropriations and \$463,407 from U. S. Department of Energy grant funds.

#### BACKGROUND INFORMATION

Under the current Appropriation Bill (Article III, Special Provisions Relating to State Agencies of Higher Education, Section 27), authorization is given, upon approval by the Governor, to use unexpended balances from the fiscal year 1988 utilities line item for energy saving projects. Through engineering surveys conducted for the Texas Energy Cost Containment Program, as administered by the Energy Conservation Division of the Public Utility Commission of Texas, U. T. Austin has identified approximately 40 items in 16 buildings where modifications can result in significant savings in utility costs. The savings are estimated to be approximately \$2,250,000 per year.

Federal matching grants have been requested to the extent possible and grant funds totaling \$463,407 have been approved to date. The unexpended balance from U. T. Austin fiscal year 1988 utility appropriations is \$3,522,547. The grants and unexpended balances provide a total sum available for these projects in the amount of \$3,985,954.

Final Governor's approval was received too late for consideration at the December 1988 U. T. Board of Regents' meeting. Authorization for this project was sought via Executive Committee Letter rather than waiting for the February 1989 U. T. Board of Regents' meeting in order to expedite the project. The funds described above must be committed through award of construction contracts or issuance of equipment purchase orders before the end of the current fiscal year, August 31, 1989.

This proposed project will be considered by the Coordinating Board at its January 1989 meeting.

5. U. T. Austin - Balcones Research Center - Microelectronics and Engineering Research Building (Project No. 102-660): Request for Approval of Revised Total Project Cost and Appropriation of Additional Funds Therefor; Recommended Award of Construction Contract to Clearwater Constructors, Inc., Austin, Texas; and Approval of Plaque Inscription (Exec. Com. Letter 89-13).--

#### RECOMMENDATION

The Executive Committee concurs in the recommendation of the Chancellor, the Executive Vice Chancellor for Academic Affairs and President Cunningham that the U. T. Board of Regents:

- a. Approve an increase in the total project cost from \$20,000,000 to \$22,500,000 for the Microelectronics and Engineering Research Building at the Balcones Research Center at U. T. Austin
- b. Appropriate an additional \$2,500,000 for the project from the following sources:
  1. U. T. Austin General Fee Balances - \$1,100,000.
  2. Permanent University Fund Bond Proceeds - transfer of \$1,400,000 previously authorized for U. T. Austin Project No. 102-568, Nuclear Engineering Teaching Laboratory.

Thus, funding for the project will be:

\$11,100,000 U. T. Austin General  
Fee Balances

11,400,000 Permanent University  
Fund Bond Proceeds

\$22,500,000 Total

Previous appropriations by the U. T. Board of Regents have been \$10,000,000 from U. T. Austin General Fee Balances and \$10,000,000 from Permanent University Fund Bond Proceeds

- c. Appropriate \$1,400,000 from U. T. Austin General Fee Balances to U. T. Austin Project No. 102-568, Nuclear Engineering Teaching Laboratory to replace the Permanent University Fund Bond Proceeds transferred from that project in Item b. above
- d. Award a construction contract for the Microelectronics and Engineering Research Building at the U. T. Austin Balcones Research Center (Project No. 102-660) to the lowest responsive bidder, Clearwater Constructors, Inc., Austin, Texas, for the Base Bid amount of \$19,587,000, within the revised \$22,500,000 total project cost
- e. Approve the inscription set out below for a plaque to be placed on the Microelectronics and Engineering Research Building. The inscription follows the standard pattern approved by the U. T. Board of Regents in June 1979. The plaque is included in the recommended construction contract award amount.

MICROELECTRONICS  
AND  
ENGINEERING RESEARCH BUILDING  
1989

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Mario Yzaguirre	Project Architect
	Anderson DeBartolo Pan, Inc.
	Consulting Architect and Engineer
	Clearwater Constructors, Inc.
	Contractor

BACKGROUND INFORMATION

In accordance with authorization of the U. T. Board of Regents in October 1988, bids for the Microelectronics and Engineering Research Building project were received and opened on December 6, 1988, as shown on Pages Ex.C 50 - 52.

All bids received exceeded the estimated \$15,900,000 (containing \$15,500,000 for the base bid work only) construction cost reported to the U. T. Board of Regents at the October 1988 meeting. The lowest responsive base bid exceeds the corresponding \$15,500,000 estimate by \$4,087,000.

Following the bid opening, the Project Architect, Graeber, Simmons & Cowan, AIA Architects, Inc., Austin, Texas, and their consultants reviewed the bid amounts and concluded that \$2,000,000 of the increased amount was attributable to unexpected recent surges in the cost of special high purity

materials used in clean room construction, cost inflation anticipated by the bidders for construction work extending beyond 1989 and errors in the final cost estimate.

The Project Architect and the U. T. System Office of Facilities Planning and Construction anticipate that it will be possible during construction to process change orders which will reduce the contract award amount of \$19,587,000 by not less than \$2,250,000 without sacrificing project intent. The savings from these change orders will be retained in the project and allocated to permit the inclusion of applicable project alternates (see Page Ex.C - 50) and other items essential to the project within the recommended revised total project cost.

The \$22,500,000 total project cost at the time of award is composed of the following elements:

Construction Cost	\$19,587,000
Fees and Administrative Expenses	1,553,444
Furniture	202,110
Miscellaneous Expenses	417,446
Project Contingency	<u>250,000</u>
Subtotal	\$22,010,000
Separate Contract	<u>490,000*</u>
Total Project Cost	\$22,500,000

- \* Related campus utilities improvement project currently under construction by Reddico Construction Co., Inc. as approved by the U. T. Board of Regents in Executive Committee Letter No. 89-7.

The bids of Pepper-Lawson Construction, Inc. and Spaw-Glass Construction Services, Inc., the two apparent low bidders (see Page Ex.C - 50), should be rejected for being non-responsive to the requirements for prior experience called for in the bid documents. The Office of General Counsel concurs in the assessment that these two bids are non-responsive.

The recommended contract award to Clearwater Constructors, Inc., Austin, Texas, the lowest responsive bidder, can be made within the recommended \$22,500,000 revised total project cost.

The composition of project funding sources recommended in Item b. above maintains the Permanent University Fund Bond Proceeds/Capital Improvement Program allotment of funds previously authorized for U. T. Austin projects while increasing the allocation of local funds from U. T. Austin. Since the major portion of the funds allocated to this project will derive from Permanent University Fund Bond Proceeds, this project need not be submitted to the Texas Higher Education Coordinating Board.

MICROELECTRONICS AND ENGINEERING RESEARCH BUILDING  
 BALCONES RESEARCH CENTER, THE UNIVERSITY OF TEXAS AT AUSTIN  
 Bids Received December 6, 1988, at Ashbel Smith Hall  
 201 West Seventh Street, Austin, Texas

<u>BIDDER</u>	<u>Pepper-Lawson Construction, Inc. Houston, TX</u>	<u>Spaw-Glass Construction Services, Inc. San Antonio, TX</u>	<u>Clearwater Constructors, Inc. Austin, TX</u>
BASE BID	\$19,349,000	\$19,545,000	\$19,587,000
Alt. #1 - Substitute Double-Ended Electrical Switchgear in lieu of Single-Ended Switchgear	101,000	43,000	65,000
Alt. #2 - Complete clean rooms: ETCH 1.738, SERVICE AISLE 1.742, SERVICE AISLE 1.746, SERVICE AISLE 1.754 and III-V THERMAL 1.750	361,000	360,000	370,000
Alt. #3 - Finish rooms: LOW BAY 1.214, THERMAL 1.756A, SERVICE AISLE 1.754, FURNACE SERVICE ROOM 1.006B, LAB #1 1.304, SERVICE AISLE 1.302 and SERVICE AISLE 1.306	698,000	646,000	720,000
Alt. #4 - Furnish and Install FREIGHT ELEVATOR NO. 1.0E-4	51,500	53,000	40,000
Alt. #5 - Provide Conventional Wiring Installation in Raceways in lieu of Modular Wiring System shown on Drawings E2.1, E2.2, E2.3 and E2.4	28,000	30,000	28,000
Alt. #6 - Provide Laboratory Fume Hoods, Casework and Fixtures as shown on the Drawings and Specified	<u>105,000</u>	<u>104,000</u>	<u>97,000</u>
Recommended Contract Award - Base Bid Only	\$19,349,000 (non-responsive)	\$19,545,000 (non-responsive)	\$19,587,000 (lowest responsive bid)

MICROELECTRONICS AND ENGINEERING RESEARCH BUILDING  
BALCONES RESEARCH CENTER, THE UNIVERSITY OF TEXAS AT AUSTIN  
Bids Received December 6, 1988, at Ashbel Smith Hall  
201 West Seventh Street, Austin, Texas

BIDDER

The Cadence Group, Inc.  
Irving, TX

BFW/CITEP Construction  
Temple, TX

BASE BID	\$20,063,800	\$20,185,000
Alt. #1 - Substitute Double-Ended Electrical Switchgear in lieu of Single-Ended Switchgear	160,000	79,000
Alt. #2 - Complete clean rooms: ETCH 1.738, SERVICE AISLE 1.742, SERVICE AISLE 1.746, SERVICE AISLE 1.754 and III-V THERMAL 1.750	340,000	372,000
Alt. #3 - Finish rooms: LOW BAY 1.214, THERMAL 1.756A, SERVICE AISLE 1.754, FURNACE SERVICE ROOM 1.006B, LAB #1 1.304, SERVICE AISLE 1.302 and SERVICE AISLE 1.306	640,000	730,000
Alt. #4 - Furnish and Install FREIGHT ELEVATOR NO. 1.0E-4	42,900	57,000
Alt. #5 - Provide Conventional Wiring Installation in Raceways in lieu of Modular Wiring System shown on Drawings E2.1, E2.2, E2.3 and E2.4	11,000	39,000
Alt. #6 - Provide Laboratory Fume Hoods, Casework and Fixtures as shown on the Drawings and Specified	<u>117,000</u>	<u>129,900</u>
Recommended Contract Award - Base Bid Only	\$20,063,800	\$20,185,000

MICROELECTRONICS AND ENGINEERING RESEARCH BUILDING  
 BALCONES RESEARCH CENTER, THE UNIVERSITY OF TEXAS AT AUSTIN  
 Bids Received December 6, 1988, at Ashbel Smith Hall  
 201 West Seventh Street, Austin, Texas

BIDDER

Cahaba Construction Company/  
 Continental-Heller Corporation,  
 A Joint Venture  
Houston, TX

Austin Commercial, Inc.  
Austin, TX

BASE BID	\$20,525,000	\$20,780,000
Alt. #1 - Substitute Double-Ended Electrical Switchgear in lieu of Single-Ended Switchgear	82,000	86,000
Alt. #2 - Complete clean rooms: ETCH 1.738, SERVICE AISLE 1.742, SERVICE AISLE 1.746, SERVICE AISLE 1.754 and III-V THERMAL 1.750	346,000	360,000
Alt. #3 - Finish rooms: LOW BAY 1.214, THERMAL 1.756A, SERVICE AISLE 1.754, FURNACE SERVICE ROOM 1.006B, LAB #1 1.304, SERVICE AISLE 1.302 and SERVICE AISLE 1.306	740,000	720,000
Alt. #4 - Furnish and Install FREIGHT ELEVATOR NO. 1.0E-4	43,500	70,000
Alt. #5 - Provide Conventional Wiring Installation in Raceways in lieu of Modular Wiring System shown on Drawings E2.1, E2.2, E2.3 and E2.4	6,000	40,000
Alt. #6 - Provide Laboratory Fume Hoods, Casework and Fixtures as shown on the Drawings and Specified	<u>100,000</u>	<u>105,000</u>
Recommended Contract Award - Base Bid Only	\$20,525,000	\$20,780,000

EX. C - 52

6. U. T. El Paso: Request for Authorization to Accept Invitation for Football Team to Participate in a Post-Season Bowl Game (Exec. Com. Letter 89-9).--

#### RECOMMENDATION

The Executive Committee concurs in the recommendation of the Chancellor, the Executive Vice Chancellor for Academic Affairs and President Natalicio that U. T. El Paso be granted advance authority to accept an invitation for the U. T. El Paso football team to participate in a post-season football bowl game if one is extended and provided the bowl income is sufficient to cover all participation expenses. This recommendation is with the further understanding that a proposed bowl budget will be submitted to the Executive Vice Chancellor for Academic Affairs for prior review and approval and that actual expenses will be reported to the U. T. Board of Regents in the next appropriate institutional docket.

#### BACKGROUND INFORMATION

The U. T. El Paso football team is now on more than one "look list" for a post-season football bowl invitation and depending on the outcome of the remaining two games (San Diego State University, November 12 and Air Force, November 19), expects to receive an invitation on November 19. A summary of the accomplishments of the 1988 U. T. El Paso football team follows:

The 1988 U. T. El Paso Miner football team has drawn national attention as the nation's Cinderella team and expects its first post-season bowl invitation in 21 years to be extended on November 19.

Entering the final two weeks of the season, the Miners have an 8-2 record, the most wins since the 1965 team beat TCU in the annual Sun Bowl Classic. Currently, the Miners rank 16th in the nation in scoring with an average of 33.8 points per game and 408.8 yards per game.

Miner Head Coach, Bob Stull, is now in his third season in El Paso. With 4 wins in 1986 and 7 in 1987, Stull's total of 19 wins, 14 losses betters the total number of wins posted by the five previous head coaches at U. T. El Paso over the 13 years prior to his arrival.

7. U. T. San Antonio - Engineering Building - Phase I (Project No. 401-616): Recommended Award of Construction Contract to Spaw-Glass Construction Services, Inc., San Antonio, Texas (Exec. Com. Letter 89-11).--

RECOMMENDATION

The Executive Committee concurs in the recommendation of the Chancellor, the Executive Vice Chancellor for Academic Affairs and President Wagener that the U. T. Board of Regents award a construction contract for the Engineering Building - Phase I at U. T. San Antonio to the lowest responsible bidder, Spaw-Glass Construction Services, Inc., San Antonio, Texas, for the Base Bid and Alternate Bid Item No. 3 and Alternate Bid Item No. 4-C in the amount of \$8,335,500.

BACKGROUND INFORMATION

In accordance with authorization of the U. T. Board of Regents in October 1988, bids for the Engineering Building - Phase I project were received and opened on November 16, 1988, as shown on Pages Ex.C 56 - 58.

The recommended contract award to Spaw-Glass Construction Services, Inc., San Antonio, Texas, can be made within the total project cost of \$12,900,000 for this project approved in October 1988.

The \$12,900,000 total project cost is composed of the following elements:

Construction Cost	\$ 8,335,500
Fees and Administrative Expenses	917,319
Furniture and Equipment	2,754,179
Miscellaneous Expenses	253,002
Project Contingency	<u>250,000</u>
Subtotal	\$12,510,000
Separate Contract	<u>390,000*</u>
Total Project Cost	\$12,900,000

- \* Related campus site improvement project currently under construction by Kunz Construction Company, Inc., San Antonio, Texas, as approved by the U. T. Board of Regents in Executive Committee Letter No. 89-4.

All bids received exceeded the estimated \$6,960,000 building construction cost reported to the U. T. Board of Regents at the October 1988 meeting. The closeness of the nine bids received and subsequent investigation by the Office of Facilities Planning and Construction suggests the low bid is a true and fair representation of the value of work required by the plans and specifications. In fact, the Project Architect, JonesKell Architects, San Antonio, Texas, has reported that the cost estimating consultant, Construction Cost Management, Fort Worth, Texas, just before the bid date acknowledged that its estimate had not been factored to fully cover the final scope of work and that its estimate should have been \$8,320,000, rather than \$6,960,000 as previously reported.

The recommended award exceeds the estimated amount by \$1,375,500. Approximately \$500,000 of that increase is clearly identifiable as equipment included as part of the building construction. This equipment was included to bring about better coordination between the architect's design work and the actual contractor installation of equipment. There are clear opportunities to recover some of the remaining \$875,500 by reductions in project quality after a construction contract has been executed. Exploratory study of possibilities acceptable to the institution without sacrifices in project scope indicates that such cost reduction efforts could attain a construction cost savings of 4% to 7%. Accordingly, it is recommended that the construction contract award be approved, with the understanding that cost reductions will follow thereafter, rather than go through the time consuming process of redesigning and rebidding the project.

The items being pursued to achieve cost reductions will neither reduce the previously approved 70,800 gross square feet building area nor jeopardize the intended function of any teaching or laboratory space.

Based on the recommended \$8,335,500 contract award, the building will cost approximately \$117.70 per gross square foot, of which approximately \$7 per gross square foot is equipment. Assuming an eventual cost savings as low as 4%, the resulting construction cost will be approximately \$106 per gross square foot, excluding the \$7 per gross square foot equipment cost.

The \$12,900,000 total project cost for the Engineering Building - Phase I, including its related site improvement work, is within the scope of the Capital Improvement Program approved by the U. T. Board of Regents in January 1987.

This project was approved by the Texas Higher Education Coordinating Board in July 1988.

PHASE I, ENGINEERING BUILDING  
 THE UNIVERSITY OF TEXAS AT SAN ANTONIO  
 Bids Received November 16, 1988, at  
 The University of Texas at San Antonio

<u>BIDDER</u>	<u>Spaw-Glass Construction Services, Inc. San Antonio, Texas</u>	<u>LYDA, INC. San Antonio, Texas</u>	<u>Peco Construction Company San Antonio, Texas</u>
BASE BID	\$8,125,000	\$8,168,000	\$8,230,000
Alt. No. 1 - Substitute Exterior Limestone Veneer in lieu of Concrete Masonry Units	105,000	117,800	99,000
Alt. No. 2 - Add Electric/Communication Duct Bank Extension	69,000	72,400	79,000
Alt. No. 3 - Add Laboratory Casework and Fume Hoods	127,000	108,600	105,000
Alt. No. 4 - Add Fixed Seating and Work Stations in Classrooms			
A. American Desk Co. Products	38,000	37,000	37,600
B. American Seating Co. Products	75,000	72,400	73,600
C. Krueger, Inc. Products	<u>83,500</u>	<u>80,500</u>	<u>81,700</u>
Recommended Total Contract Award - Base Bid Plus Alternates 3 and 4-C.	\$8,335,500	\$8,357,100	\$8,416,700

PHASE I, ENGINEERING BUILDING  
 THE UNIVERSITY OF TEXAS AT SAN ANTONIO  
 Bids Received November 16, 1988, at  
 The University of Texas at San Antonio

<u>BIDDER</u>	<u>G. W. Mitchell &amp; Sons, Inc. San Antonio, Texas</u>	<u>Kunz Construction Company San Antonio, Texas</u>	<u>ICA-ICM International, Inc. Austin, Texas</u>
BASE BID	\$8,398,000	\$8,405,000	\$8,500,000
Alt. No. 1 - Substitute Exterior Limestone Veneer in lieu of Concrete Masonry Units	110,000	86,881	147,400
Alt. No. 2 - Add Electric/Communication Duct Bank Extension	76,000	71,656	82,400
Alt. No. 3 - Add Laboratory Casework and Fume Hoods	104,000	102,646	125,000
Alt. No. 4 - Add Fixed Seating and Work Stations in Classrooms			
A. American Desk Co. Products	39,000	36,555	37,800
B. American Seating Co. Products	76,000	71,545	74,000
C. Krueger, Inc. Products	<u>85,000</u>	<u>79,461</u>	<u>82,300</u>
Recommended Total Contract Award - Base Bid Plus Alternates 3 and 4-C.	\$8,587,000	\$8,587,107	\$8,707,300

PHASE I, ENGINEERING BUILDING  
 THE UNIVERSITY OF TEXAS AT SAN ANTONIO  
 Bids Received November 16, 1988, at  
 The University of Texas at San Antonio

<u>BIDDER</u>	<u>The Argee Corporation Denver, Colorado</u>	<u>Basic Constructors, Inc. Austin, Texas</u>	<u>Pepper-Lawson Construction, Inc. Houston, Texas</u>
BASE BID	\$8,694,000	\$8,714,000	\$8,718,000
Alt. No. 1 - Substitute Exterior Limestone Veneer in lieu of Concrete Masonry Units	97,000	70,000	120,000
Alt. No. 2 - Add Electric/Communication Duct Bank Extension	72,500	86,000	72,000
Alt. No. 3 - Add Laboratory Casework and Fume Hoods	115,000	112,000	115,000
Alt. No. 4 - Add Fixed Seating and Work Stations in Classrooms			
A. American Desk Co. Products	36,500	38,000	39,000
B. American Seating Co. Products	71,500	75,000	70,000
C. Krueger, Inc. Products	<u>79,000</u>	<u>83,000</u>	<u>80,000</u>
Recommended Total Contract Award - Base Bid Plus Alternates 3 and 4-C.	\$8,888,000	\$8,909,000	\$8,913,000

8. U. T. Southwestern Medical Center - Dallas - Floodplain Reclamation (Project No. 303-679): Recommended Award of Construction Contract to Henry Building & Engineering, Inc., Lancaster, Texas; and Request for the Executive Vice Chancellor for Health Affairs to Approve and Execute an Agreement with the John D. and Catherine T. MacArthur Foundation, Chicago, Illinois, to Accept Payment from the Foundation for That Part of the Project on Foundation Property (Exec. Com. Letter 89-9).--

#### RECOMMENDATION

The Executive Committee concurs in the recommendation of the Chancellor, the Executive Vice Chancellor for Health Affairs and President Wildenthal that the U. T. Board of Regents award a construction contract for Floodplain Reclamation on the property granted by the John D. and Catherine T. MacArthur Foundation at the U. T. Southwestern Medical Center - Dallas to the lowest responsible bidder, Henry Building & Engineering, Inc., Lancaster, Texas, for the aggregate base bid amount of \$2,275,000. Of this amount, approximately \$1,689,108.31 is the cost of work to the U. T. Southwestern Medical Center - Dallas on University-owned land and approximately \$585,891.69 is the cost of work on MacArthur Foundation property which is to be paid for by the Foundation.

It is further recommended that the U. T. Board of Regents authorize the Executive Vice Chancellor for Health Affairs to approve and execute an agreement with the John D. and Catherine T. MacArthur Foundation, Chicago, Illinois, for its participation in and payment for the project.

#### BACKGROUND INFORMATION

At its October 1987 meeting, the U. T. Board of Regents approved a Letter of Understanding with the John D. and Catherine T. MacArthur Foundation, Chicago, Illinois, and accepted a gift of approximately 29 acres of land for future expansion of the U. T. Southwestern Medical Center - Dallas. One of the terms of the Letter of Understanding, and a condition of the gift of land, was the joint accomplishment of a Floodplain Reclamation project with the U. T. Southwestern Medical Center - Dallas and the Foundation each responsible for the cost of work on their respective parcels of land. The U. T. Board of Regents approved a total project cost of \$2,000,000 for the U. T. Southwestern Medical Center - Dallas' share of the work and appropriated that amount from its Institutional Interest Income Account. The project was approved by the Texas Higher Education Coordinating Board in December 1987, and has received the required approval of the City of Dallas and the U. S. Army Corp of Engineers.

In accordance with authorization of the U. T. Board of Regents in October 1987, bids for the Floodplain Reclamation were received and opened on October 13, 1988, as shown below:

<u>Bidder</u>	<u>Base Bid</u>	<u>Deduct Alt. #1 Reduce Channel Width</u>	<u>Add Alt. #2 Special Concrete Finish</u>
Henry Building & Engineering, Inc. Lancaster, TX	\$2,275,000	\$21,753	\$166,046
Uvalde Construction Company, Dallas, TX	2,299,000	15,000	400,000
Martin K. Eby Construction Co., Inc. Ft. Worth, TX	2,345,000	10,000	160,000
J-N Construction Co., Inc., Richardson, TX	2,420,000	16,000	250,000
Jim Bowman Construction Co., Inc., Garland, TX	2,428,400	10,000	170,000
Tex-Con Utility Contractors, Garland, TX	2,473,000	34,000	318,500
B & J Excavating, Inc. Cedar Hill, TX	2,552,199	15,850	343,000
L. H. Lacy Company Dallas, TX	2,585,000	15,000	320,000
Mario Sinacola & Sons Exc., Inc. Lewisville, TX	2,595,671	25,000	200,000
Plano Builders Corporation, Ft. Worth, TX	2,650,000	4,000	150,000
Austin Bridge Company Dallas, TX	2,699,275	37,000	102,000
Tri-Con Services Inc. Garland, TX	2,793,000	14,000	200,000
Hatcher Construction Co., Inc., Pasadena, TX	3,250,000	15,000	50,000

The cost for the work on the U. T. Southwestern Medical Center - Dallas property is composed of the following elements:

Construction Cost	\$1,689,108.31
Fees and Administrative Expenses	122,383.00
Future Work (Landscaping and Irrigation)	140,000.00
Miscellaneous Expenses	11,713.00
Project Contingency	<u>36,795.69</u>
Total Project Cost to the University	\$2,000,000.00

The MacArthur Foundation has requested that the U. T. System Office of Facilities Planning and Construction provide design and construction administration services for the Foundation's work. The Foundation will therefore pay its share of construction, engineering fees and administrative expenses. The anticipated cost to the Foundation is approximately as follows:

Construction Cost	\$585,891.69
Fees and Administrative Expenses	47,506.00
Miscellaneous Expenses	<u>4,114.31</u>
	\$637,512.00

9. U. T. Medical Branch - Galveston - Maurice Ewing Hall Renovation (Project No. 601-673): Recommended Award of Construction Contract to A-Tec Engineers and Contractors, Inc., Houston, Texas (Exec. Com. Letter 89-12).--

#### RECOMMENDATION

The Executive Committee concurs in the recommendation of the Chancellor, the Executive Vice Chancellor for Health Affairs and President James that the U. T. Board of Regents award a construction contract for the Maurice Ewing Hall Renovation at the U. T. Medical Branch - Galveston to the lowest responsible bidder, A-Tec Engineers and Contractors, Inc., Houston, Texas, for the Base Bid and Alternate Bids No. 1, 2, 3 and 4 in the amount of \$3,767,367.

#### BACKGROUND INFORMATION

In accordance with authorization of the U. T. Board of Regents in October 1988, bids for the Maurice Ewing Hall Renovation at the U. T. Medical Branch - Galveston were received and opened on December 20, 1988, as shown on Pages Ex.C 62 - 63.

Construction bids for this project were first received on August 16, 1988, and a recommendation to award a contract was submitted to the Executive Committee (Exec. Com. Letter 89-3). Subsequently, it was alleged by the contractor that an ambiguity existed in the bid documents causing a bid error. In October 1988, the U. T. Board of Regents rejected all bids and authorized the Office of Facilities Planning and Construction to rebid the project after appropriate changes had been made in the bid documents.

The recommended contract award to A-Tec Engineers and Contractors, Inc., Houston, Texas, in the amount of \$3,767,367 can be made within the authorized total project cost of \$4,767,000.

The authorized total project cost is composed of the following elements:

Construction Cost	\$3,767,367
Fees and Administrative Expenses	412,100
Furniture, Equipment and Temporary Quarters	245,183
Future Work (Air Balancing & FCMS)	207,350
Miscellaneous Expenses	15,000
Project Contingency	<u>120,000</u>
Total Project Cost	\$4,767,000

MAURICE EWING HALL RENOVATION  
 THE UNIVERSITY OF TEXAS MEDICAL BRANCH AT GALVESTON  
 Bids Received December 20, 1988, at  
 The University of Texas Medical Branch at Galveston

<u>BIDDER</u>	<u>A-Tec Engineers &amp; Contractors, Inc. Houston, TX</u>	<u>Paisan Construction Company Houston, TX</u>	<u>E. G. Lowry Company, Inc. Houston, TX</u>	<u>Basic Constructors, Inc. Houston, TX</u>
BASE BID	\$3,750,162	\$3,754,000	\$3,811,800	\$3,900,000
Alt. No. 1 - Add Corridor Closets	18,124	20,200	30,300	32,800
Alt. No. 2 - Add/Deduct Change Closet Shelving	-4,100	No Bid	-4,700	5,500
Alt. No. 3 - Add/Deduct Change Casework to Wood	-12,146	-12,200	-11,700	-12,000
Alt. No. 4 - Add/Deduct Replace Vinyl Floor Covering	<u>15,327</u>	<u>17,800</u>	<u>23,600</u>	<u>28,400</u>
Recommended Total Award: Base Bid plus Alt. Nos. 1, 2, 3 and 4	\$3,767,367	\$3,779,800	\$3,849,300	\$3,984,960

MAURICE EWING HALL RENOVATION  
 THE UNIVERSITY OF TEXAS MEDICAL BRANCH AT GALVESTON  
 Bids Received December 20, 1988, at  
 The University of Texas Medical Branch at Galveston

<u>BIDDER</u>	<u>Tellepsen Corporation Houston, TX</u>	<u>Miner-Dederick Constructors, Inc. Houston, TX</u>	<u>LEBCO Constructors, Inc. Houston, TX</u>
BASE BID	\$3,929,000	\$3,925,000	\$4,414,000
Alt. No. 1 - Add Corridor Closets	19,200	29,400	15,100
Alt. No. 2 - Add/Deduct Change Closet Shelving	5,000	-1,700	5,700
Alt. No. 3 - Add/Deduct Change Casework to Wood	17,100	28,500	-11,600
Alt. No. 4 - Add/Deduct Replace Vinyl Floor Covering	<u>14,660</u>	<u>7,000</u>	<u>18,500</u>
Recommended Total Award: Base Bid plus Alt. Nos. 1, 2, 3 and 4	\$3,984,960	\$3,988,200	\$4,441,700

10. U. T. Medical Branch - Galveston - Remodeling of John Sealy Hospital (Old Building) - Cardiac Catheterization Unit (Project No. 601-677): Recommended Award of Construction Contract to Miner-Dederick Constructors, Inc., Houston, Texas (Exec. Com. Letter 89-12).--

RECOMMENDATION

The Executive Committee concurs in the recommendation of the Chancellor, the Executive Vice Chancellor for Health Affairs and President James that the U. T. Board of Regents award a construction contract for the Remodeling of John Sealy Hospital (Old Building) - Cardiac Catheterization Unit at the U. T. Medical Branch - Galveston to the lowest responsible bidder, Miner-Dederick Constructors, Inc., Houston, Texas, for the Base Bid and Alternate Bids No. 1 and 2 in the amount of \$3,801,000.

BACKGROUND INFORMATION

In accordance with authorization of the U. T. Board of Regents in October 1987, bids for the Remodeling of John Sealy Hospital (Old Building) - Cardiac Catheterization Unit at the U. T. Medical Branch - Galveston were received on December 15, 1988, as shown on Pages Ex.C 65 - 66.

The recommended contract award to Miner-Dederick Constructors, Inc., Houston, Texas, in the amount of \$3,801,000 can be made within the authorized total project cost of \$4,600,000.

The authorized total project cost is composed of the following elements:

Construction Cost	\$3,801,000
Fees and Administrative Expenses	351,000
Furniture and Equipment	147,000
Future Work (Air Balancing)	60,000
Miscellaneous Expenses	110,000
Project Contingency	<u>131,000</u>
Total Project Cost	\$4,600,000

REMODELING OF JOHN SEALY HOSPITAL (OLD BUILDING)  
 CARDIAC CATHETERIZATION UNIT  
 THE UNIVERSITY OF TEXAS MEDICAL BRANCH AT GALVESTON  
 Bids Received December 15, 1988, at  
 The University of Texas Medical Branch at Galveston

<u>BIDDER</u>	<u>Miner-Dederick Constructors, Inc. Houston, TX</u>	<u>Tellepsen Corporation Houston, TX</u>	<u>Temple Associates, Inc. Diboll, TX</u>
BASE BID	\$3,286,000	\$3,389,000	\$3,488,000
Alt. No. 1 - Add 5th Floor Dialysis Unit	347,000	350,000	345,000
Alt. No. 2 - Add 5th Floor Renal Nursing Unit	168,000	165,000	180,000
Alt. No. 3 - Add 4th & 5th Floor Lobbies	67,000	45,000	88,000
Alt. No. 4 - Add/Deduct Simplified Fire Alarm System	-14,000	-12,000	-15,000
Alt. No. 5 - Add/Deduct Simplified Nurse Call System	<u>57,000</u>	<u>-25,000</u>	<u>56,000</u>
Recommended Total Award: Base Bid plus Alt. Nos. 1 and 2	\$3,801,000	\$3,904,000	\$4,013,000

REMODELING OF JOHN SEALY HOSPITAL (OLD BUILDING)  
 CARDIAC CATHETERIZATION UNIT  
 THE UNIVERSITY OF TEXAS MEDICAL BRANCH AT GALVESTON  
 Bids Received December 15, 1988, at  
 The University of Texas Medical Branch at Galveston

<u>BIDDER</u>	<u>Rogers Construction, Inc. Houston, TX</u>	<u>Spaw-Glass Builders, Inc. Houston, TX</u>	<u>Williams Industries Contractors, Inc. Houston, TX</u>
BASE BID	\$3,675,000	\$3,764,000	\$3,495,000
Alt. No. 1 - Add 5th Floor Dialysis Unit	330,000	326,999	1,039,000
Alt. No. 2 - Add 5th Floor Renal Nursing Unit	169,000	155,000	212,000
Alt. No. 3 - Add 4th & 5th Floor Lobbies	62,000	89,000	77,000
Alt. No. 4 - Add/Deduct Simplified Fire Alarm System	-14,500	No Bid	-14,000
Alt. No. 5 - Add/Deduct Simplified Nurse Call System	<u>56,000</u>	<u>No Bid</u>	<u>58,000</u>
Recommended Total Award: Base Bid plus Alt. Nos. 1 and 2	\$4,174,000	\$4,245,000	\$4,746,000

11. U. T. Medical Branch - Galveston - Remodeling of John Sealy Hospital (Old Building) - Remodeling of Sixth, Seventh and Eighth Floors (Project No. 601-655): Recommended Award of Construction Contract to Miner-Dederick Constructors, Inc., Houston, Texas (Exec. Com. Letter 89-9).--

#### RECOMMENDATION

The Executive Committee concurs in the recommendation of the Chancellor, the Executive Vice Chancellor for Health Affairs and President James that the U. T. Board of Regents award a construction contract for the Remodeling of John Sealy Hospital (Old Building) - Remodeling of Sixth, Seventh and Eighth Floors at the U. T. Medical Branch - Galveston to the lowest responsible bidder, Miner-Dederick Constructors, Inc., Houston, Texas, for the Base Bid in the amount of \$7,315,000.

#### BACKGROUND INFORMATION

In accordance with authorization of the U. T. Board of Regents in June 1987, bids for the Remodeling of John Sealy Hospital (Old Building) - Remodeling of the Sixth, Seventh and Eighth Floors were received and opened on October 20, 1988, as shown on Pages Ex.C 68 - 69.

Combined bids were received on July 26, 1988, for two phases of remodeling of John Sealy Hospital (Old Building): (a) Remodeling Sixth, Seventh and Eighth Floors, including a two-level addition to the John Sealy Hospital North Addition (Project No. 601-655) and (b) Lithotripter Facility and Additional Surgical Operating Rooms (Project No. 601-676). All bids exceeded the combined authorized total project costs and all bids were rejected. The two projects were separated; the two-level addition was eliminated from the bid documents and new bids for the Remodeling of the Sixth, Seventh and Eighth Floors only were received on October 20, 1988, as stated. The Lithotripter Facility and Additional Surgical Operating Rooms will be bid at a later date.

The recommended contract award to Miner-Dederick Constructors, Inc., Houston, Texas, can be made within the authorized total project cost of \$8,350,000.

JOHN SEALY HOSPITAL REMODELING, SIXTH, SEVENTH AND EIGHTH FLOORS  
 THE UNIVERSITY OF TEXAS MEDICAL BRANCH AT GALVESTON  
 Bids Received October 20, 1988, at  
 The University of Texas Medical Branch at Galveston

<u>BIDDER</u>	<u>Miner-Dederick Constructors, Inc. Houston, TX</u>	<u>Centex-Rodgers Construction Company Nashville, TN</u>	<u>Basic Constructors, Inc. Houston, TX</u>
BASE BID	\$7,315,000	\$7,574,000	\$7,600,000
Alt. No. 1 - Add 1750KW Generator and Gear	381,000	420,000	454,000
Alt. No. 2 - Add 1500KW Generator and Gear	375,700	150,000	336,000
Alt. No. 3 - Add Fourth Floor Main Wing East	78,000	102,000	96,000
Alt. No. 4 - Add Family Waiting Rooms Third and Fourth Floors	324,000	368,000	448,000
Alt. No. 5 - Deduct - Substitute Standard Casework for Flexible Casework	-62,000	-24,000	-36,200
Alt. No. 6 - Add Upgraded Fire Alarm System	<u>37,000</u>	<u>70,000</u>	<u>34,000</u>
Recommended Total Award - Base Bid Only	\$7,315,000	\$7,574,000	\$7,600,000

EX. C - 68

JOHN SEALY HOSPITAL REMODELING, SIXTH, SEVENTH AND EIGHTH FLOORS  
 THE UNIVERSITY OF TEXAS MEDICAL BRANCH AT GALVESTON  
 Bids Received October 20, 1988, at  
 The University of Texas Medical Branch at Galveston

<u>BIDDER</u>	<u>Cahaba Construction Company Houston, TX</u>	<u>Temple Associates, Inc. Diboll, TX</u>
BASE BID	\$7,640,000	\$7,880,000
Alt. No. 1 - Add 1750KW Generator and Gear	345,000	364,650
Alt. No. 2 - Add 1500KW Generator and Gear	235,000	250,000
Alt. No. 3 - Add Fourth Floor Main Wing East	80,000	81,400
Alt. No. 4 - Add Family Waiting Rooms Third and Fourth Floors	400,000	362,700
Alt. No. 5 - Deduct - Substitute Standard Casework for Flexible Casework	-25,000	-32,000
Alt. No. 6 - Add Upgraded Fire Alarm System	<u>56,000</u>	<u>46,000</u>
Recommended Total Award - Base Bid Only	\$7,640,000	\$7,880,000

EX. C - 69

12. U. T. M.D. Anderson Cancer Center: Request for Transfer of Funds Requiring Advance Regental Approval Under Budget Rules and Procedures No. 2 (Exec. Com. Letter 89-10).--

RECOMMENDATION

The Executive Committee concurs in the recommendation of the Chancellor, the Executive Vice Chancellor for Health Affairs and President LeMaistre that the U. T. Board of Regents approve the following transfer of funds at the U. T. M.D. Anderson Cancer Center:

Educational and General Funds

Amount of Transfer - \$18,500,000

From: Unappropriated Balance (via Estimated Income) - 1987-88 - \$6,950,000  
Estimated Income 1988-89 - \$11,550,000

To: Pharmacy	\$ 7,000,000
Molecular Probe Laboratory	1,500,000
Patient Care Services	3,050,000
Provision for Information Systems	2,250,000
Provision for Upgrade of Computer	1,000,000
Provision for Telephone Equipment	2,000,000
Provision for Special Research Equipment	600,000
Provision for Environmental Improvements	500,000
Provision for Facility Support and Deferred Maintenance	500,000
Provision for Computer Aided Design Equipment	100,000
Total	<u>\$18,500,000</u>

(RBC #17)

BACKGROUND INFORMATION

Income

The additional \$11,550,000 of earned revenue will be provided through the Pharmacy and the Molecular Probe Laboratory accounts. In Pharmacy, two new programs have been recently activated. They involve the use of gamma immune globulins and alpha interferons. Combined, these new protocols will generate new net revenues totaling \$9,800,000 in fiscal year 1989. In addition, the new Molecular Probe Laboratory will provide new net revenues totaling \$1,750,000. This additional revenue will support the unbudgeted expenses in both Pharmacy and the Molecular Probe Laboratory. A portion of the additional revenue will be used to support unbudgeted Patient Care operational expenditures. Funds necessary to support Provisional Account activities, as described below, will be transferred from available balances.

Expenditures

- a. Pharmacy - \$7,000,000 will be transferred into Pharmacy to support the unbudgeted activities of the gamma immune globulins and alpha interferon programs. \$ 7,000,000

- b. Molecular Probe Laboratory - \$1,500,000 will be transferred into the Molecular Probe Laboratory account to support its activities. This program, which is a part of University Ventures, Inc.'s Molecular Diagnostic Associates (MDxA), is estimated to generate an additional \$175,000 in net revenues for 1988-89. \$ 1,500,000
- c. Patient Care Services - \$3,050,000 will be transferred into the Patient Care Services account. These funds will be provided through the additional net income generated by the Pharmacy and Molecular Probe Laboratory activities. Funds are needed for maintenance and operation within Patient Care Services, not previously anticipated, e.g., in the areas of the Divisions of Medicine, Radiotherapy and Surgery. Remodeling which has taken place, along with the expansion of facilities, pose additional operational needs not previously budgeted. 3,050,000
- d. Information System - a total of \$2,250,000 will be transferred into this Provisional Account. The amount of \$1,000,000 is earmarked to support a Purchase Order to Shared Medical Systems for the acquisition of patient care software. The remaining \$1,250,000 will be used to support both the implementation and training effort associated with the Shared Medical Systems and the Management Science of America software projects. 2,250,000
- e. Upgrade of Computer - \$1,000,000 will be transferred into this Provisional Account to be used toward the upgrade of the current mainframe computer, an IBM 3090 Model 200 E, to a 3090 Model 400 E. This will virtually double the computing power and allow for more efficient file usage and disc storage space. 1,000,000
- f. Telephone Equipment - \$2,000,000 will be transferred into this Provisional Account to support the purchase of a telephone switching device. Additional funds will be required to complete this acquisition, which will be done in concert with the U. T. Health Science Center - Houston. 2,000,000
- g. Special Research Equipment - \$600,000 will be transferred into this Provisional Account for the purchase of research equipment necessary to equip remodeled research laboratories. The nature of the equipment is basic core research equipment and generally of the type which cannot be funded through sponsored research grants. 600,000
- h. Environmental Improvements - \$500,000 will be transferred into this Provisional Account to initiate landscaping in front of the new Research Building and to complete landscaping work around the Clark Clinic Building complex. 500,000

- i. Facility Support and Deferred Maintenance - \$ 500,000  
\$500,000 will be transferred into this Provisional Account for improvement/upgrade of projects. Among these projects, funds are needed to install fire protection sprinklers in the Bates Freeman Building. Additionally, elevators in the Gimble, Anderson Central and Bates Freeman Buildings will be modernized and refurbished. Repair work to the fascia of the new Research Building as well as various HVAC upgrades within the hospital itself and the Houston Main Building need to take place.
- j. Computer Aided Design Equipment - 100,000  
\$100,000 will be transferred into this Provisional Account for the acquisition of a facility management and planning system. This system will be used to analyze space utilization and provide an interface with the financial system.

Total

\$18,500,000

**Finance and  
Audit Committee**

FINANCE AND AUDIT COMMITTEE

Date: February 9, 1989  
Time: Following the meeting of the Executive Committee  
Place: Regents' Meeting Room, Ninth Floor, Ashbel Smith Hall

	<u>Page</u> <u>F&amp;A</u>
1. <u>U. T. System: Recommendation to Approve Chancellor's Docket No. 44</u>	2

1. U. T. System: Recommendation to Approve Chancellor's Docket No. 44.--

RECOMMENDATION

It is recommended that Chancellor's Docket No. 44 be approved.

It is requested that the committee confirm that authority to execute contracts, documents, or instruments approved therein has been delegated to the officer or official executing same.

**Academic  
Affairs Comm.**

ACADEMIC AFFAIRS COMMITTEE

Date: February 9, 1989  
Time: Following the meeting of the Finance and Audit Committee  
Place: Regents' Meeting Room, Ninth Floor, Ashbel Smith Hall

	<u>Page</u> <u>AAC</u>
1. U. T. System: Recommendation to (a) Standardize Institutional Procedures Related to Forfeited General Property Deposits Via Establishment of Endowment Funds and (b) Direct Adoption of Institutional Policies for the Administration of a Student Deposit Endowment Fund	2
2. U. T. Austin: Recommendation to Name Room in the Engineering Teaching Center Building in the College of Engineering ( <u>Regents' Rules and Regulations</u> , Part One, Chapter VIII, Section 1, Subsection 1.2, Naming of Facilities Other Than Buildings)	3
3. U. T. Austin: Recommendation to Approve Voluntary Student Services Fees Effective with the Fall Semester 1989 (Catalog Change)	4
4. U. T. Austin: Recommendation to Approve Increases in Tuition Rates for the Graduate School of Business Effective with the 1989 Fall Semester (Catalog Change)	5
5. U. T. Dallas: Recommendation to Establish The Bruton Center for Development Studies in the School of Social Sciences	6
6. U. T. San Antonio: Proposed Teaming Agreement with Rothe Development, Inc., San Antonio, Texas	7

1. U. T. System: Recommendation to (a) Standardize Institutional Procedures Related to Forfeited General Property Deposits Via Establishment of Endowment Funds and (b) Direct Adoption of Institutional Policies for the Administration of a Student Deposit Endowment Fund.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and the Executive Vice Chancellor for Health Affairs that the U. T. Board of Regents approve the following actions related to forfeited General Property Deposits:

- (a) Standardize procedures related to the handling and use of forfeited general property deposits at all U. T. System component institutions through the formal establishment of an endowment for each component institution to be entitled the "Institution name) Student Deposit Endowment Fund" and the approval of the following general policy guidelines, consistent with long-standing institutional practices at U. T. Austin and U. T. El Paso, for the administration of the institutional Student Deposit Endowment Fund:
  - (1) A Student Deposit Endowment Fund, to be managed in a manner consistent with U. T. System endowment policies, is to be established on behalf of each U. T. System component institution with forfeited student general property deposits
  - (2) That portion of the current balance of each student deposit fund consisting of the aggregated sums of unexpended student general property deposits forfeited under Section 54.5021 of the Texas Education Code are to be transferred into the Student Deposit Endowment Fund, effective with establishment of the endowment
  - (3) All future general property deposits forfeited pursuant to Section 54.5021 of the Texas Education Code are to be added to the corpus of the Student Deposit Endowment Fund as soon as practicable after forfeiture
  - (4) Income from investment of the Student Deposit Endowment Fund is to be used to award scholarships to needy and deserving students, to establish an institutional loan program for students, or to support a general student union or activity program in accordance with and to the extent authorized by Subsection (b) of Section 54.5021, Texas Education Code.
- (b) Direct each component institution to develop an institutional policy related to administration of the Student Deposit Endowment Fund, consistent with U. T. Board of Regents' general policy guidelines, for prior administrative approval and inclusion in the institutional Handbook of Operating Procedures.

This item requires the concurrence of the Health Affairs Committee.

#### BACKGROUND INFORMATION

Section 54.5021 of the Texas Education Code provides that any student's general property deposit unclaimed for four years after the last date of attendance is forfeited and may be used as directed by the governing board for scholarship awards to needy and deserving students, support of a general student union program or the establishment of an institutional loan program except that the funds may be used at U. T. Austin for scholarship purposes only. General property deposit charges are submitted to the U. T. Board of Regents annually for approval via the U. T. System docket.

Although all U. T. System component institutions are restricted in the use of forfeited general property deposits to the specified statutory purposes, the procedures used in handling the forfeited deposits have varied to some extent among the institutions.

U. T. Austin and U. T. El Paso, relying upon the original statutory authorizations for those institutions to use forfeited general property deposits for the permanent use and purpose of a scholarship fund, have treated general property deposits forfeited at their institutions as endowments under policies approved by their governing boards in 1949 and 1957, respectively. Similarly, U. T. Arlington has handled forfeited general property deposits as a fund functioning as an endowment since 1968. Other component institutions treat forfeited general property deposits as current restricted funds. The health components have only been required to assess a general property deposit since the Legislature made the collection of a general property deposit mandatory for all institutions of higher education in 1987.

Formal recognition and uniform administration of these funds are expected to achieve the dual goals of promoting growth of the funds through investment and ensuring the long-term availability of these funds as a predictable source of student support.

2. U. T. Austin: Recommendation to Name Room in the Engineering Teaching Center Building in the College of Engineering (Regents' Rules and Regulations, Part One, Chapter VIII, Section 1, Subsection 1.2, Naming of Facilities Other Than Buildings).--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Cunningham that Room 2.108 in the Engineering Teaching Center Building in the College of Engineering at U. T. Austin be named the Todd D. Harris Memorial Classroom. This recommendation is in accordance with the Regents' Rules and Regulations, Part One, Chapter VIII, Section 1, Subsection 1.2, relating to the naming of facilities other than buildings.

BACKGROUND INFORMATION

The proposed classroom name is in recognition of gifts accepted to honor the late Mr. Todd D. Harris who received his B.S.M.E. from U. T. Austin in 1987. The income earned from the endowment will be used to provide professional development opportunities for faculty members in the Department of Mechanical Engineering with preference given to those early in their careers. Acceptance of these gifts and establishment of a permanent endowment is provided for in Item 9 on Page L&I - 12.

At its December 1981 meeting, the U. T. Board of Regents approved the naming of facilities other than buildings as part of a special private fund development campaign for the College of Engineering, in accordance with Part One, Chapter VII, Section 2, Subsection 2.44 of the Regents' Rules and Regulations.

3. U. T. Austin: Recommendation to Approve Voluntary Student Services Fees Effective with the Fall Semester 1989 (Catalog Change).--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Cunningham that the U. T. Board of Regents approve Voluntary Student Services Fees at U. T. Austin to be effective with the Fall Semester 1989 as set out below. Current and proposed fees are listed for comparative purposes.

	1988-89		1989-90	
	Actual Fee Academic Year	Spring Semester	Proposed Fee Academic Year	Spring Semester
Athletics	\$52.00	\$26.00	\$52.00	\$26.00
Athletics Dependent	64.00	32.00	64.00	32.00
Drama Department	12.00	6.00	12.00	6.00
Performing Arts	30.00	15.00	25.00	12.50
TSP Package*	32.50	28.25	32.50	28.25
<u>Cactus</u> Yearbook	27.50	27.50	28.50	28.50
<u>Utmost</u> Magazine	8.50	4.30	8.50	4.30
Official Directory	1.50	1.50	2.00	(not to be offered)
<u>Peregrinus</u> Yearbook	14.00	14.00	15.00	15.00
<u>Analecta</u> Literary Journal	3.50	3.50	3.50	3.50
<u>Polis</u> Magazine	4.00	2.00	4.00	2.00
Locker/Basket and Shower	4.00	2.00	8.00	4.00

\*TSP Package represents a reduced cost for purchase of Cactus, Utmost, and the Official Directory.

Upon Regental approval, the Minute Order will reflect that the next appropriate catalog published at U. T. Austin will be amended to include these changes.

BACKGROUND INFORMATION

In accordance with Sections 54.513 and 54.514 of the Texas Education Code, the proposed changes in certain Voluntary Student Services Fees have been recommended to President Cunningham by the Student Services Fees Committee of U. T. Austin.

Increases recommended for the Cactus and Peregrinus yearbooks are related to increased printing costs. The increase for the Official Directory reflects several changes in the content of the directory. The Locker/Basket and Shower fee has not changed since 1982 and the increase has been recommended because of escalating costs. The Performing Arts Center has requested a decrease in the voluntary fee for its programs.

Voluntary fees for Athletics, Athletics Dependent, Drama Department, TSP Package, Utmost Magazine, Analecta Literary Journal, and Polis Magazine remain unchanged.

4. U. T. Austin: Recommendation to Approve Increases in Tuition Rates for the Graduate School of Business Effective with the Fall Semester 1989 (Catalog Change).--

RECOMMENDATION

The Chancellor concurs with the recommendation of the Executive Vice Chancellor for Academic Affairs and President Cunningham that the U. T. Board of Regents approve increases in tuition rates for students in the Graduate School of Business at U. T. Austin effective with the Fall Semester 1989, as set out below:

	<u>Approved Rates for 1987-88/1988-89</u>	<u>Proposed Rates for 1989-90/1990-91</u>
Resident Students	\$32.00 per semester credit hour	\$36.00 per semester credit hour
Nonresident and Foreign Students	\$150.00 per semester credit hour	\$152.00 per semester credit hour

Upon Regental approval, the Minute Order will reflect that the next appropriate catalog published at U. T. Austin will be amended to conform to this action.

BACKGROUND INFORMATION

Section 54.008 of the Texas Education Code provides that tuition rates for graduate programs in an institution may vary and authorizes governing boards of Texas institutions of higher education to set differential tuition rates provided that such rates are at least equal to the minimum rates established by statute and not more than double the statutory rate. The regular resident tuition rate set by Section 54.0512 of the Texas Education Code for academic

year 1989-90 is \$18.00 per semester credit hour. Consequently, the proposed differential rate of \$36.00 per semester credit hour for resident students for 1989-90/1990-91 is within the legislative authorization.

Section 54.051 of the Texas Education Code provides for the Texas Higher Education Coordinating Board to determine the base tuition rate to be charged for nonresident and foreign students. That base rate is to be \$122.00 per semester credit hour for 1989-90 and 1990-91. The base rate for 1988-89 had been \$120.00 per semester credit hour. The proposed changes for 1989-90 maintains the \$30.00 per semester credit hour differential over the base rate established by the Coordinating Board.

Pursuant to Section 54.008(d) of the Texas Education Code, the proceeds from differential tuition will continue to be allocated for the purposes previously approved by the U. T. Board of Regents at its December 1987 meeting as follows: 5% to support student advising for the Masters of Business Administration program; 45% for student scholarships; and 50% for faculty support in the form of funds for faculty merit raises, position upgrades and new position(s).

U. T. Austin anticipates requesting authorization for resident tuition rates to rise for succeeding biennia through 1995-96 to maintain the same ratio of twice the rate established by statute for regular resident tuition. Similarly, the rate for nonresident and foreign students would continue the same per semester credit hour differential above the base rate established by the Coordinating Board.

5. U. T. Dallas: Recommendation to Establish The Bruton Center for Development Studies in the School of Social Sciences.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Rutford that The Bruton Center for Development Studies in the School of Social Sciences be established at U. T. Dallas.

The purpose of the new Center will be to provide research in the areas of social science that affect the local metropolitan and urban areas including population, transportation, economic stability and leadership.

#### BACKGROUND INFORMATION

The proposed center is to be funded by a \$300,000 grant from the Trustees of The David Bruton, Jr. Charitable Trust, Founded by David Bruton, Jr. The grant is to be matched by U. T. Dallas for a total of \$600,000. Acceptance of the grant is provided for in Item 23 on Page L&I - 21.

The charitable trust indenture executed by Mr. David Bruton, Jr., who died on December 30, 1979, was reported to the U. T. Board of Regents at the May 1980 meeting and allows discretionary bequests to four component institutions of the U. T. System (U. T. Austin, U. T. Dallas, U. T. Southwestern Medical Center - Dallas and the U. T. M.D. Anderson Cancer Center).

6. U. T. San Antonio: Proposed Teaming Agreement with Rothe Development, Inc., San Antonio, Texas.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Wagener that the U. T. Board of Regents approve the proposed Teaming Agreement between U. T. San Antonio and Rothe Development, Inc., San Antonio, Texas, as set forth on Pages AAC 8 - 14.

The purpose of this agreement with Rothe Development, Inc., a Texas corporation, is to establish a working team relationship to prepare proposals for submission to the U. S. government and to obtain contract awards for projects involving research, development and services. Rothe Development, Inc. will be the prime contractor and U. T. San Antonio will act as a subcontractor. In effect, U. T. San Antonio will participate in the preparation of research proposals by Rothe and then bid on subcontract research work with Rothe. The U. T. San Antonio bid will cover all costs related to salaries, wages, supplies, materials, equipment and overhead. Among other things, U. T. San Antonio will furnish Rothe with technical, analytic and engineering services in support of awarded projects.

#### BACKGROUND INFORMATION

The proposed agreement has a five-year term, has been reviewed and approved by the Office of General Counsel, and will become effective upon approval by the U. T. Board of Regents and Rothe Development, Inc. This agreement is similar to an agreement between Systems Research Laboratories (SRI) and U. T. San Antonio approved by the U. T. Board of Regents in February 1987.

### TEAMING AGREEMENT

THIS AGREEMENT is effective this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, between:

ROTHE DEVELOPMENT, INC. (hereinafter (called "ROTHE"), a corporation organized and existing under the laws of the State of Texas, with Offices in San Antonio,

and

THE UNIVERSITY OF TEXAS AT SAN ANTONIO (hereinafter referred to as "UTSA"), a state supported institution of higher education located in Bexar County, Texas.

1. The intent and purpose of this Agreement, which constitutes the entire agreement between the parties and supercedes any previous understandings, commitments, or agreements, oral or written, which includes all phases of the project (hereinafter called "Project"), is to establish a working team relationship between the parties to join their skills to prepare proposals for submission to the U.S. Government and to obtain the award of contract for the Project. This is a teaming agreement as contemplated by and subject to limitations in FAR 9.6.
2. ROTHE is and will be preparing a proposal(s) in response to the requirements of the Project. It is understood that each party will, in its sole judgment, exert reasonable effort to prepare a proposal(s) which will result in selection by the Government of ROTHE as prime contractor and of UTSA as the subcontractor for the Project. Each party agrees to continue to exert such reasonable effort, in its sole judgment, toward this objective throughout any briefings, presentations, and negotiations

concerning a proposed contract which may follow the submission of the proposal(s).

It is therefore agreed that UTSA will team with ROTHER in all proposal efforts for the Project, and will assist and cooperate with ROTHER in its effort to bring about an award of the contract to the team (prime and subcontract).

3. It is agreed that ROTHER will have responsibility for the preparation of the proposal(s) to the Government as the prime contractor and with UTSA as the subcontractor. During the term of this Agreement, ROTHER shall endeavor to secure the prime contract for the Project, and UTSA shall use its efforts to assist ROTHER in achieving this result.
4. UTSA also agrees to furnish reasonable information, data, and support which the parties agree will assist ROTHER in integrating the work to be performed by UTSA into the proposal for each phase of the Project.
5. UTSA will furnish ROTHER with a proposal for the technical, analytic, and engineering services to be provided in support of performance of the Project. This shall include technical data, program management, and pricing information as may be required by the Government Solicitation, in sufficient detail to permit accurate costing of a prime contract and negotiation of the subcontract. It is understood that ROTHER in coordination with UTSA will decide on the exact form and content of the final document to be submitted to the Government.

6. During proposal preparation and contract negotiations, or prior to award for the Project, ROTHE may require additions, deletions, or modifications to the ROTHE or UTSA portion. UTSA will be notified by ROTHE of the additions, deletions, or modifications desired to the UTSA effort and subject to agreement thereon by the parties, UTSA will participate in the revisions thereto, including price revisions.
7. In the event of an award to ROTHE of a contract for the Project, ROTHE will offer and UTSA will accept a subcontract to perform work and render services required by the prime contractor in accordance with the description of UTSA's responsibilities as were defined by mutual agreement prior to proposal submission. The subcontract will be a basic agreement, embodying provisions consistent with the prime contract and those provisions mutually agreed upon. ROTHE will then issue specific work requirements to UTSA in the form of task assignments, as they may arise, against the basic subcontract and contain Statement of Work, Price, and Schedule.
8. All news releases, public announcements, advertising or publicity released related to this Project by either ROTHE or UTSA shall be done in accordance with the terms and approval procedures to the ensuing prime contract with the U.S. Government.
9. This Agreement is not intended to constitute, create, give effect to, or otherwise recognize a joint venture, partnership, or formal business entity of any kind and the rights and

obligations of the parties shall be limited to those expressly set forth herein. Nothing herein shall be construed as providing for the sharing of profits or losses arising out of the efforts of either or both parties.

Neither ROTHE nor UTSA will be liable to the other for any of the costs, expenses, risks, or liabilities arising out of the other company's effort in connection with preparation of its portion of the proposal, or for the expenses incurred in any precontract presentations required by the Government. Each party shall act as an independent contractor and not as an agent of the other for any purpose whatsoever, and neither party shall have any authority to bind the other except as specifically set forth herein.

10. This Agreement may not be assigned or otherwise transferred by either party in whole or in part without the expressed prior written consent of the other party.
11. Except as otherwise stated, this agreement will terminate upon the occurrence of any of the following events:
  - (a) If the Government notifies ROTHE that it has been eliminated from consideration for award as prime contractor on any phase of the Project; or
  - (b) If ROTHE does not receive award of a contract within two years of the proposal for any phase; or
  - (c) If a prime contract for the Project shall be awarded to any company other than ROTHE; or
  - (d) Cancellation or withdrawal by the Government of the

requirements of the project; or

(e) If either UTSA or ROTHE becomes insolvent or makes a general assignment for the benefit of creditors or if either UTSA or ROTHE is adjudged bankrupt, under the bankruptcy Act.

12. UTSA and ROTHE agree that as to all inventions which are or may be patentable, made in the performance of any phase of the Project, by one or more employees of one of the parties, the respective employer shall have, subject to any rights of the employee and subject to the rights of the Government, exclusive right to file for a patent thereon, and no rights whatsoever under any resulting issued patent shall accrue to the other party. Rights as to inventions jointly conceived by employees of UTSA and ROTHE shall be as mutually agreed upon. No license whatsoever, expressed or implied, under any inventions or patents, shall pass hereunder between the parties.

13. Any notice expressly provided for under the Agreement shall be in writing, shall be given either manually or by mail, telegram, radiogram, or cable, and shall be deemed sufficiently given if and when received by the party to be notified at its address set forth below or if and when mailed by registered or certified mail, postage paid, addressed to such party at such address. Either party may, by notice to the other, change its address for receiving such notice.

If to ROTHE:     Rothe Development, Inc.  
                  4614 Sinclair Road  
                  San Antonio, Texas 78222  
                  Attn: Mr. Arnott Moore

If to UTSA:     The University of Texas at San Antonio  
                  Office of Sponsored Projects  
                  San Antonio, Texas 78285  
                  Attn: Carol Hollingsworth

14. This Agreement and any contracts executed pursuant to the provisions contained herein are subject to the laws of the State of Texas and The Rules and Regulations of the Board of Regents of The University of Texas System.
  
15. This Agreement shall become effective upon the approval and execution by the Board of Regents of The University of Texas System and an appropriate officer of Rothe Development, Inc. who has been delegated the authority to approve such agreements on behalf of the corporation. If so executed, this Agreement shall continue in effect for an initial term of five (5) years after the date and year first above written, and after such initial term shall continue in effect from year to year unless one party shall have given one hundred and eighty (180) days' prior written notice to the other party of intention to terminate this Agreement. This Agreement and any specific project or grant contracts executed pursuant thereto shall terminate for all purposes one hundred and eighty (180) days after such notice is given.

EXECUTED by the Board of Regents of The University of Texas System and Rothe Development, Incorporated on the day and year first above written, in duplicate copies, each of which shall be deemed an original.

THE UNIVERSITY OF TEXAS AT  
SAN ANTONIO

ATTEST: \_\_\_\_\_

BY: \_\_\_\_\_

TITLE: \_\_\_\_\_

ROTHE DEVELOPMENT, INC.

ATTEST: \_\_\_\_\_

BY: \_\_\_\_\_

TITLE: \_\_\_\_\_

BOARD OF REGENTS OF THE UNIVERSITY  
OF TEXAS SYSTEM

BY: \_\_\_\_\_

**CERTIFICATE OF APPROVAL**

I hereby certify that the foregoing Agreement was approved by the Board of Regents of The University of Texas System on the \_\_\_ day of \_\_\_\_\_, 19\_\_, and that the person whose signature appears above is authorized to execute such agreement on behalf of the Board.

\_\_\_\_\_  
Executive Secretary, Board of Regents  
The University of Texas System

**Health Affairs  
Committee**

HEALTH AFFAIRS COMMITTEE

Date: February 9, 1989  
Time: Following the meeting of the Academic Affairs Committee  
Place: Regents' Meeting Room, Ninth Floor, Ashbel Smith Hall

	<u>Page</u> <u>HAC</u>
1. U. T. System: Proposal to Increase Institutional Premium Charges for The University of Texas System Professional Medical Liability Self-Insurance Plan Effective September 1, 1989	2
2. U. T. Southwestern Medical Center - Dallas: Proposed Appointment to Unnamed Chair Designated for the President Effective Immediately (NO PUBLICITY)	3
3. U. T. Southwestern Medical Center - Dallas: Proposed Appointments to Endowed Academic Positions Effective Immediately	4
4. U. T. Health Science Center - San Antonio: Request for Permission for Individual to Serve on the Texas Diabetes Council, Austin, Texas [ <u>Regents' Rules and Regulations, Part One, Chapter III, Section 13, Subsections 13.(10) and 13.(11)</u> ]	5
5. U. T. M.D. Anderson Cancer Center: Proposed Affiliation Agreement with Comunidad de Madrid, Madrid, Spain	6

1. U. T. System: Proposal to Increase Institutional Premium Charges for The University of Texas System Professional Medical Liability Self-Insurance Plan Effective September 1, 1989.--

### RECOMMENDATION

The Chancellor and the Executive Vice Chancellor for Health Affairs concur in the recommendation of the Office of General Counsel that the U. T. System Professional Medical Liability Self-Insurance Plan premium rates be increased by 8% effective September 1, 1989, as follows:

<u>Risk Class</u>	<u>Current Rates</u>		<u>Recommended Rates</u>	
	<u>Staff</u>	<u>Resident</u>	<u>Staff</u>	<u>Resident</u>
1	\$ 2,112	\$ 1,428	\$ 2,280	\$ 1,524
2	3,528	2,340	3,816	2,532
3	6,024	4,008	6,504	4,332
4	9,792	6,516	10,572	7,032
5	16,224	10,812	17,556	11,676

### BACKGROUND INFORMATION

The U. T. Board of Regents authorized the creation of the U. T. System Professional Medical Liability Self-Insurance Plan at the April 1977 meeting.

The total number of U. T. System physicians covered by the Self-Insurance Plan currently is 3,859 full-time staff and resident physicians, with liability limits of \$400,000 per claim for staff physicians and \$100,000 for interns, residents and fellows.

The U. T. Board of Regents authorized initial premium rates for the Self-Insurance Plan at one-half the rate charged by the Hartford Insurance Company for the year ending March 31, 1977. These rates were not increased until September 1, 1986, when rates were increased by 37.5%. On September 1, 1987, rates were increased by 150% and on September 1, 1988, rates were increased by 99.9%.

Actuaries retained by the Self-Insurance Plan report that claim experience for the most recent fiscal year was about as expected. The actuaries recommend that the Plan implement an 8% rate increase effective September 1, 1989.

Medical liability premium rates charged by commercial insurance carriers continue to increase. The recommended rate increase will result in the Plan's premium rates remaining well below those of commercial insurers and other self-insurance plans as illustrated on Page HAC - 3.

RATE COMPARISON

	<u>Insurance Corporation of America</u>	<u>Texas Tech Health Science Center</u>	<u>Current UT Staff</u>	<u>Recommended UT Staff</u>
General Practice, no surgery	\$ 3,251	\$ 5,500	\$ 2,112	\$ 2,280
General Practice, minor surgery	5,526	7,000	3,528	3,816
Cardiology	10,402	15,500	6,024	6,504
Urology	12,135	25,500	9,792	10,572
General Surgery	16,469	25,500	9,792	10,572
Anesthesiology	13,271	35,500	16,224	17,556
Orthopedic Surgery	23,404	35,500	16,224	17,556
OB/GYN	36,406	35,500	16,224	17,556

2. U. T. Southwestern Medical Center - Dallas: Proposed Appointment to Unnamed Chair Designated for the President Effective Immediately (NO PUBLICITY).--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs that President Kern C. Wildenthal be appointed as initial holder of the unnamed chair at U. T. Southwestern Medical Center - Dallas effective immediately.

BACKGROUND INFORMATION

This chair was established upon acceptance of a \$500,000 challenge gift from an anonymous donor at the February 1987 meeting of the U. T. Board of Regents. The anonymous donor specified "The chair is to be held by the President of The University of Texas Southwestern Medical Center at Dallas upon appointment by the U. T. Board of Regents."

The donor also stipulated that the endowment was established because of his commitment to the enhancement of the position of President, and in recognition of the tradition for outstanding leadership in the presidency at U. T. Southwestern Medical Center - Dallas.

In accordance with the original donor's wishes, the chair will be named at a later date by the donor who has agreed to provide the \$500,000 in matching funds.

NO PUBLICITY.

3. U. T. Southwestern Medical Center - Dallas: Proposed Appointments to Endowed Academic Positions Effective Immediately.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President Wildenthal that the following initial appointments to endowed academic positions at U. T. Southwestern Medical Center - Dallas be effective immediately:

<u>Name of Proposed Appointee</u>	<u>Endowed Academic Position</u>
Daniel W. Foster, M.D. Professor, Chairman of Internal Medicine	Donald W. Seldin Distinguished Chair in Internal Medicine; established December 1988
Bruce C. Carr, M.D. Professor of Obstetrics and Gynecology	Paul C. MacDonald Professorship in Obstetrics and Gynecology; established December 1987
Jere H. Mitchell, M.D. Professor of Medicine and Physiology	S. Roger and Carolyn P. Horchow Professorship in Cardiac Research in Honor of Jere H. Mitchell, M.D.; established December 1988
W. Steves Ring, M.D. Professor of Surgery and Chairman, Division of Cardiothoracic Surgery	Frank M. Ryburn, Jr., Distinguished Chair in Cardiothoracic Surgery and Transplantation; established December 1988

BACKGROUND INFORMATION

Dr. Foster joined the U. T. Southwestern Medical Center - Dallas faculty in 1962 following training at U. T. Southwestern Medical Center - Dallas and the National Institutes of Health, Bethesda, Maryland. A leader in the area of diabetes research and patient care, Dr. Foster is well known in the Dallas community and throughout the nation for his expertise. He has authored nearly one hundred publications and serves on the editorial boards of six journals. The newly established Donald W. Seldin Distinguished Chair in Internal Medicine is reserved for the Chairman of Internal Medicine, a position to which Dr. Foster was appointed in 1988.

Dr. Carr joined the U. T. Southwestern Medical Center - Dallas faculty in 1980 following training at the University of Michigan Medical School, Ann Arbor, Michigan, and at Parkland Memorial Hospital, Dallas, Texas. He has rapidly become recognized as an authority in human fetal cholesterol metabolism and adrenal gland function, as well as ovulation and estrogen treatment in women. Dr. Carr is the author of more than one hundred publications.

Dr. Mitchell joined the U. T. Southwestern Medical Center - Dallas faculty in 1962 following training at U. T. Southwestern Medical Center - Dallas and the National Institutes of Health, Bethesda, Maryland. He has also been a member of the visiting faculty at Oxford University, Oxford, England, and the University of Copenhagen, Copenhagen, Denmark. Dr. Mitchell is an international authority in exercise physiology and basic cardiac function. He serves on the editorial boards of eight journals and is the author of more than two hundred publications.

Dr. Ring joined the U. T. Southwestern Medical Center - Dallas faculty in 1988 following training at Harvard Medical School, Boston, Massachusetts, Duke University Medical Center, Durham, North Carolina, and the University of Minnesota, Minneapolis, Minnesota. Dr. Ring was Director of Cardiac Transplantation at the University of Minnesota from 1984-1987. He is a recognized authority in cardiac transplantation and has published widely in the area of immunosuppression and post-transplantation coronary disease.

4. U. T. Health Science Center - San Antonio: Request for Permission for Individual to Serve on the Texas Diabetes Council, Austin, Texas [Regents' Rules and Regulations, Part One, Chapter III, Section 13, Subsections 13.(10) and 13.(11)].--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President Howe that Michael P. Stern, M.D., a member of the faculty in the Department of Medicine at the U. T. Health Science Center - San Antonio, be granted permission to serve on the Texas Diabetes Council.

It is further recommended that the U. T. Board of Regents find that: (1) the holding of this position by Dr. Stern is of benefit to the State of Texas and (2) there is no conflict between his position at the U. T. Health Science Center - San Antonio and his appointment to this Council.

#### BACKGROUND INFORMATION

Governor Clements has appointed Dr. Stern to serve as a member of the Texas Diabetes Council. Dr. Stern's work with this Council will enhance the U. T. Health Science Center - San Antonio's teaching and research programs related to diabetes and its treatment. The Council members serve without remuneration.

This recommendation is in accordance with approval requirements for positions of honor, trust, or profit provided in Article 6252-9a of Vernon's Texas Civil Statutes and Part One, Chapter III, Section 13, Subsections 13.(10) and 13.(11) of the Regents' Rules and Regulations.

5. U. T. M.D. Anderson Cancer Center: Proposed Affiliation Agreement with Comunidad de Madrid, Madrid, Spain.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs that the U. T. Board of Regents authorize President LeMaistre to negotiate with Comunidad de Madrid, Madrid, Spain, and execute an affiliation agreement between the U. T. M.D. Anderson Cancer Center and Comunidad de Madrid in a form substantially equivalent to the agreement set out on Pages HAC 7 - 13 and authorize the Executive Vice Chancellor for Health Affairs to approve such agreement on behalf of the U. T. Board of Regents.

BACKGROUND INFORMATION

U. T. M.D. Anderson Cancer Center proposes to enter into an affiliation agreement with the Department of Health Affairs of Comunidad de Madrid, Spain, whereby: (a) the two parties would establish an international program of mutual collaboration and information exchange in the area of oncology for physicians and other researchers in the areas of research, prevention, diagnosis, treatment and rehabilitation of cancer and (b) the two parties would develop mechanisms of liaison to expedite the admission of patients from Madrid who would be referred to the U. T. M.D. Anderson Cancer Center.

The proposed affiliation agreement sets out an extensive list of objectives and activities for trainees from Madrid to participate in programs at the U. T. M.D. Anderson Cancer Center in order to learn ways to help patients with cancer. The parties would establish a Joint Affiliation Committee to help develop and coordinate appropriate program agreements.

The Madrid trainees will not be employees of the U. T. M.D. Anderson Cancer Center and all financial responsibility for Madrid trainees and for Madrid patients treated at the U. T. M.D. Anderson Cancer Center will be the responsibility of Comunidad de Madrid or other Spanish resources. Intellectual property rights under the agreement are not inconsistent with the policy of the U. T. Board of Regents. The initial term of the proposed agreement is for one year, renewable automatically thereafter for one-year terms unless a six-months notice of termination is given.

Both the Office of the Executive Vice Chancellor for Health Affairs and the Office of General Counsel have reviewed the proposed affiliation agreement as provided in Part Two, Chapter XI, Sec. 1.1 of the Regents' Rules and Regulations, and both offices recommend approval of the proposed agreement.

**DRAFT**

AGREEMENT OF AFFILIATION

THIS AGREEMENT of AFFILIATION made the \_\_\_\_\_ day of \_\_\_\_\_, 1988, by and between THE UNIVERSITY OF TEXAS M. D. ANDERSON CANCER CENTER of Houston, Texas, United States of America (hereinafter "CANCER CENTER"), a component institution of THE UNIVERSITY OF TEXAS SYSTEM of Austin, Texas, (hereinafter "SYSTEM"), and the COMUNIDAD de MADRID (hereinafter "MADRID") in Madrid, Spain.

RECITALS

WHEREAS, CANCER CENTER now operates patient care, teaching and research facilities located at 1515 Holcombe Boulevard in the City of Houston, State of Texas, U.S.A., and therein provides health care services for patients with cancer and other neoplastic diseases; and

WHEREAS, MADRID, through its Department of Health Affairs, is interested in furthering its knowledge of cancer through the direct application of the latest advances in science for the benefit of its citizens; and

WHEREAS, it is agreed by the parties that the purpose of this Agreement is to establish an international program of mutual collaboration and information exchange in the area of oncology for the physicians and other researchers in the areas of research, prevention, diagnosis, treatment and rehabilitation of cancer; and

WHEREAS, it is further agreed by the parties that they have a mutual desire to develop mechanisms of liaison to expedite the admission of patients from MADRID who would be referred to CANCER CENTER for specialized diagnosis, consultation and treatment;

AGREEMENT

NOW, THEREFORE, it is mutually agreed by CANCER CENTER and MADRID as follows:

Section 1. Objectives and Activities

A. Trainees

The parties agree that it is to their mutual interest and advantage for trainees selected by MADRID to be given the opportunity to utilize the facilities of CANCER CENTER to learn ways to achieve the following objectives and activities:

- (1) to reduce the morbidity and mortality by cancer in Spain, attempting to provide complete care to the affected patient where possible;
- (2) to contribute to the decrease of the incidence of those types of cancer with identifiable and preventable risk factors;
- (3) to contribute to the decrease of mortality from those types of cancer with possibilities of early screening and opportune treatment;
- (4) to amplify and intensify the means of prevention;
- (5) to promote activities oriented towards basic prevention through health education tending to modify unhealthy lifestyles and to encourage the adoption of habits beneficial to health, especially stressing self-care;
- (6) to encourage the screening of those types of cancer whose development permits one to study the beginning of precancerous stages;
- (7) to encourage the development of an early detection;
- (8) to identify those diagnostic procedures which are most appropriate and have a high margin of specificity;
- (9) to select therapeutic methods known to be effective in trial investigations on the use of new drugs;
- (10) to rehabilitate the patient in the early phase of treatment and according to the treatment utilized; and
- (11) to employ simple, adequate palliative treatments to mitigate pain in the care of the terminal patient in collaboration with the family and community.

B. The parties also agree that a later phase of their collaboration may include the participation of selected CANCER CENTER physicians, researchers and staff in the establishment or development of specialized activities in MADRID including, but not limited to, the following areas:

- (1) clinical pharmacy;
- (2) blood banking services;
- (3) informational services;
- (4) clinical research protocol services; and
- (5) other research activities of mutual interest.

- C. The parties agree that certain patients from Spain, who are to be selected by a specified committee of physicians in MADRID, will be referred to CANCER CENTER for specialized diagnosis, consultation and treatment. CANCER CENTER will develop appropriate mechanisms for expedited admission of these patients and for timely communication with and return of these patients to the care of the referring physicians, as deemed appropriate.
- D. The parties agree that it may be to their mutual benefit to develop other programs in the future based upon interest and availability of resources and personnel and agree to refer such matters to a Joint Affiliation Committee to discuss, to obtain approval for plans, and to develop written agreements embodying the objectives and responsibilities of the respective parties. The Joint Affiliation Committee shall be composed of at least two representatives of each party and shall meet at least annually to carry out its responsibilities hereinafter described in Section 4.

Section 2. Responsibilities of MADRID with regard to Trainees and Physicians/Researchers

MADRID agrees to:

- (1) designate at least two (2) representatives, to serve as MADRID's members of the Joint Affiliation Committee and to serve as Coordinators responsible for the program's progress, who will maintain appropriate communication with the CANCER CENTER during the training period;
- (2) recommend trainees who shall be placed at the CANCER CENTER, subject to the approval of the CANCER CENTER and who have fluency in English and who have passed the EFMG examination;
- (3) provide information, upon request, regarding the background, experience and educational needs of each trainee to the CANCER CENTER prior to the trainee's placement;
- (4) respect the mission of the CANCER CENTER, and both expect and require trainees to accept patients, staff, and administrators, regardless of race, ethnic origin, sex, age, religion or political belief;

- (5) withdraw, upon written request to the CANCER CENTER designated supervisor, any trainee whose performance is unsatisfactory or whose conduct is unacceptable to the CANCER CENTER; and
- (6) select physicians/researchers to participate in specialized, short-term training programs in such areas as bone marrow transplantation, tumor marker laboratories and scanning electron microscopy.

### Section 3. Responsibilities of the CANCER CENTER

The CANCER CENTER agrees to:

- (1) accept trainees nominated by MADRID to participate in overall CANCER CENTER programs and activities as appropriate;
- (2) accept trainees or other physicians/researchers without regard to race, ethnic origin, sex, age, religion, or political belief;
- (3) provide appropriate instruction by a qualified CANCER CENTER representatives;
- (4) inform MADRID of changes in CANCER CENTER policy, procedures, and staffing that affect these programs; and
- (5) accept the withdrawal of any trainee by MADRID when the placement is found not to be in the best interest of the trainee, CANCER CENTER or MADRID.

### Section 4. Responsibilities of Joint Affiliation Committee

The Joint Affiliation Committee shall:

- (1) be a working committee comprised of at least two (2) representatives from each of the parties;
- (2) meet at least annually in ordinary session and in extraordinary session if requested to do so by either party;
- (3) plan, document and coordinate all activities to be jointly undertaken under the terms of this Agreement;
- (4) prepare annual reports and submit written proposals or suggested changes to this Agreement to the governing bodies of the respective institutions for any necessary approval; and

- (5) develop written financial guidelines to be utilized in the referral of patients from MADRID to CANCER CENTER.

Section 5. Guidelines

It is agreed and understood by MADRID and CANCER CENTER that, prior to the exchange of trainees or physicians or researchers, written guidelines will be set up with the approval of both parties. These guidelines may be attached to this Agreement as Exhibit A.

Section 6. No Employment

It is understood and agreed that, by the terms of this Agreement, no agent or employee of MADRID shall, for any purpose, be deemed an agent or employee of CANCER CENTER.

Section 7. Financial Matters of MADRID Trainees, Physicians and Researchers

It is understood and agreed that MADRID shall be responsible for all travel expenses, housing expenses, insurance (including medical, dental and professional responsibility insurance), salary and fringe benefits of its trainees, physicians and researchers while they are at CANCER CENTER.

Section 8. Financial Matters of Patients

It is understood and agreed that CANCER CENTER clinic, hospital and physician charges are the responsibility of MADRID, and/or other Spanish resources and/or the patient. Written financial guidelines are to be developed by the Joint Affiliation Committee or their respective designees and approved in advance of any patient referral.

Section 9. Separate Jurisdictions

It is understood that the autonomy of each party to this Agreement remains intact. Neither party shall be liable for any claims, actions or demands made which are as a result of the negligence of the other party. Nothing contained herein shall be construed as establishing or constituting a partnership or joint venture between the parties.

Section 10. Intellectual Property

The parties agree that inventions, concepts, methods, techniques, processes, adaptations and ideas solely developed by MADRID or by CANCER CENTER during the term of this Agreement and relating to the activities involved therein shall remain the sole property of that respective party.

The parties acknowledge that the exchange of information and collaboration which is called for in this Agreement may result in the joint development of new proprietary and secret inventions, concepts, methods, techniques, processes, adaptations and ideas which shall be considered as jointly owned by MADRID and CANCER CENTER. The parties further agree that each party will inform its Joint Affiliation Committee representatives in writing within ninety (90) days of such a development so that appropriate agreements can be prepared, where necessary, between the parties and any third parties to protect the development and to maximize its potential benefit to MADRID and CANCER CENTER.

#### Section 11. Amendments

It is understood and agreed that the parties to this Agreement may revise or modify this Agreement only by written amendment hereto, provided such revision or modification is mutually agreed upon and signed by the authorized representatives of MADRID and CANCER CENTER and approved by the Office of the Chancellor of The University of Texas System.

#### Section 12. Term and Termination

This AGREEMENT shall not become effective unless and until approved by the Board of Regents of SYSTEM. If so approved, this Agreement shall become effective on the date of such approval, and shall continue in effect for an initial term ending one (1) year after the date and year of execution by CANCER CENTER and MADRID. After such initial term, the Agreement shall continue in effect from year to year unless one party shall have given one hundred eighty (180) days' prior written notice to the other party of its intention to terminate this Agreement. If such notice is given, this Agreement shall terminate: (a) 180 days after notice is given; or (b), when the trainee enrolled in the Program at the end of the term of this Agreement have completed his/her respective courses of study under this Program, whichever event last occurs. Notice of intention to terminate may be withdrawn if mutually agreed to by the parties.

EXECUTION

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives.

ATTEST:

COMUNIDAD de MADRID  
MADRID, SPAIN

BY: \_\_\_\_\_

BY: \_\_\_\_\_

TITLE: \_\_\_\_\_

ATTEST:

THE UNIVERSITY OF TEXAS  
M. D. ANDERSON CANCER CENTER

BY: \_\_\_\_\_  
James M. Bowen, Ph.D.  
Vice President for  
Academic Affairs

BY: \_\_\_\_\_  
Charles A. LeMaistre, M.D.  
President

FORM APPROVED:

BY: \_\_\_\_\_  
John L. Darrouzet,  
Attorney, Office of General Counsel  
The University of Texas System

APPROVED:

BY: \_\_\_\_\_  
Charles B. Mullins, M.D.  
Executive Vice Chancellor for  
The University of Texas System  
Health Affairs

CERTIFICATE OF APPROVAL

I hereby certify that the foregoing Agreement was approved by the Board of Regents of The University of Texas System on the \_\_\_\_ day of \_\_\_\_\_, 1988, and that the person whose signature appears above is authorized to execute such agreements on behalf of the Board.

\_\_\_\_\_  
Executive Secretary, Board of Regents  
The University of Texas System

**Buildings and  
Grounds Comm.**

BUILDINGS AND GROUNDS COMMITTEE

Date: February 9, 1989  
Time: Following the meeting of the Health Affairs Committee  
Place: Regents' Meeting Room, Ninth Floor, Ashbel Smith Hall

	<u>Page</u> <u>B&amp;G</u>
1. U. T. System: Recommendation for Extension of the Capital Improvement Program Through 1993-94 with Capital Improvement Project Authorizations for Fiscal Years 1989-90 and 1990-91	4
2. U. T. Arlington - Maverick Stadium - Replacement of Artificial Turf: Request for Project Authorization; Completion of Final Plans, Advertisement for Bids and Award of Contract by U. T. Arlington Administration; and Appropriation Therefor	4
3. U. T. Austin - Andrews Dormitory and Kinsolving Dormitory - Phased Remodeling of Food Service Facilities - Phase I - Andrews Dormitory: Request for Approval of Final Plans; Authorization to Advertise for Bids and Award Contracts; and Appropriation Therefor	5
4. U. T. Austin - Memorial Stadium - Replacement of Artificial Turf and Synthetic Track Surface: Request for Project Authorization; Appointment of Project Engineer to Prepare Final Plans; Authorization to Advertise for Bids and for the Chancellor or His Designee to Award Contracts; and Appropriation Therefor	6
5. U. T. Austin - Recreational Sports Facility - Phase I (Project No. 102-596): Request for Approval of Plaque Inscription	7
6. U. T. Austin: Recommendation to Rename T. U. Taylor Hall of Engineering as T. U. Taylor Hall	8

7. U. T. Dallas: Student Apartment Project with Worthing Central Corporation, Dallas, Texas - Recommendation to Concur in Temporary Administrative Extension of Deadline to Commence Construction; to Extend Deadline to Commence Construction and Waive Right to Declare Default; to Authorize Appropriate System Officials to Evaluate Prospective Joint Venture Partners and to Conclude Negotiation on Amendments to Ground Lease and Related Documents; to Authorize the Executive Committee to Execute Amendments to Ground Lease and Related Documents; and to Authorize the Executive Committee to Execute Documents Necessary to Approve the Assignment of Worthing's Leasehold Interest, Rights and Obligations to a Joint Venture Entity 9
8. U. T. El Paso - Former Main Library Building - Remodeling for Department of Geological Sciences (Project No. 201-671): Request for Approval of Final Plans; Authorization to Advertise for Bids and for Executive Committee to Award Contracts; Additional Appropriation Therefor, and Redesignation of Facility 11
9. U. T. San Antonio - Engineering Building (Project No. 401-616A): Request for Approval of Plaque Inscription 12
10. U. T. Medical Branch - Galveston - Medical Research Building (Project No. 601-665): Report of Bid Opening and Recommendation for Contract Award 13
11. U. T. Medical Branch - Galveston - Moody State School - New Facility (Project No. 601-575): Recommendation to Cancel Project and Associated Grant 14
12. U. T. Medical Branch - Galveston - John Sealy Hospital - New Emergency Department and Trauma Center Facility (Project No. 601-658): Report on Receipt of Bids; Request for Approval of Increased Total Project Cost; Appropriation of Additional Grant Funds; and Authorization to Rebid the Project and for Executive Committee to Award Contracts 14
13. U. T. M.D. Anderson Cancer Center - U. T. M.D. Anderson Hospital - Modifications and Renovations - Phase III (Project No. 703-695): Request for Authorization to Increase Project Scope; Submission to Coordinating Board; Presentation of Preliminary Plans for First Segment (Phase III-A); Authorization for Preparation of Final Plans for First Segment and Preparation of Preliminary Plans for Second Segment (Phase III-B); and Additional Appropriation Therefor 17

14. U. T. M.D. Anderson Cancer Center - U. T. M.D. Anderson Hospital - Upgrading of Mechanical Systems - Phase II (Project No 703-689): Request for Approval of Final Plans of First Segment; Authorization to Advertise for Bids and for Executive Committee to Award Contracts; and Additional Appropriation Therefor 19
15. U. T. M.D. Anderson Cancer Center - Entrance Fountain: Request for Project Authorization; Appropriation of Gift Funds; Approval to Name the Fountain the "LeRoy Melcher, Jr. Memorial Fountain" (Regents' Rules and Regulations, Part One, Chapter VIII, Section 1.2, Naming of Facilities Other Than Buildings); Submission to Coordinating Board; Completion of Final Plans; Advertisement for Bids; and Authorization for the Executive Committee to Award Construction Contract 20
16. U. T. Health Science Center - San Antonio - Exhaust and Intake Air Flow System (Project No. 402-675): Request for Authorization of Project; Appointment of Project Architect to Prepare Final Plans; Submission to Coordinating Board; Authorization to Advertise for Bids and for Executive Committee to Award Contracts; and Appropriation Therefor 21

1. U. T. System: Recommendation for Extension of the Capital Improvement Program Through 1993-94 with Capital Improvement Project Authorizations for Fiscal Years 1989-90 and 1990-91.--

*Referred  
for later  
consideration.*

#### EXPLANATION

In 1985 as an extension of the U. T. System strategic planning process, the U. T. Board of Regents approved, for planning purposes, a long-range (six year) Capital Improvement Program for expenditure of Permanent University Fund Bond Proceeds and other funds for major capital projects. The Program included the identification of component institution priority capital projects appropriate for consideration over the six-year period and specific project authorizations and reservation of funds for the first two years of the Program (to match the legislative biennial budget process). Specific projects were then funded individually as appropriate and consistent with the overall Program. The specific appropriation of funds for authorized projects then matched the dollar needs from feasibility studies, for design work and, ultimately, for project construction. The Capital Improvement Program included reserved amounts for repair and rehabilitation projects and equipment purchases which have been allocated in conjunction with the annual operating budgeting process. This Capital Improvement Program has subsequently been updated on a biennial basis, thereby maintaining a six-year focus with biennial project authorizations.

The U. T. System Administration is now in the process of reviewing institutional capital requests and projections of available resources to support the updated Capital Improvement Program. It is anticipated that the Capital Improvement Program will be ready for presentation at the February 9, 1989 U. T. Board of Regents' meeting.

This item requires the concurrence of the Academic Affairs, Health Affairs and Finance and Audit Committees.

2. U. T. Arlington - Maverick Stadium - Replacement of Artificial Turf: Request for Project Authorization; Completion of Final Plans, Advertisement for Bids and Award of Contract by U. T. Arlington Administration; and Appropriation Therefor.--

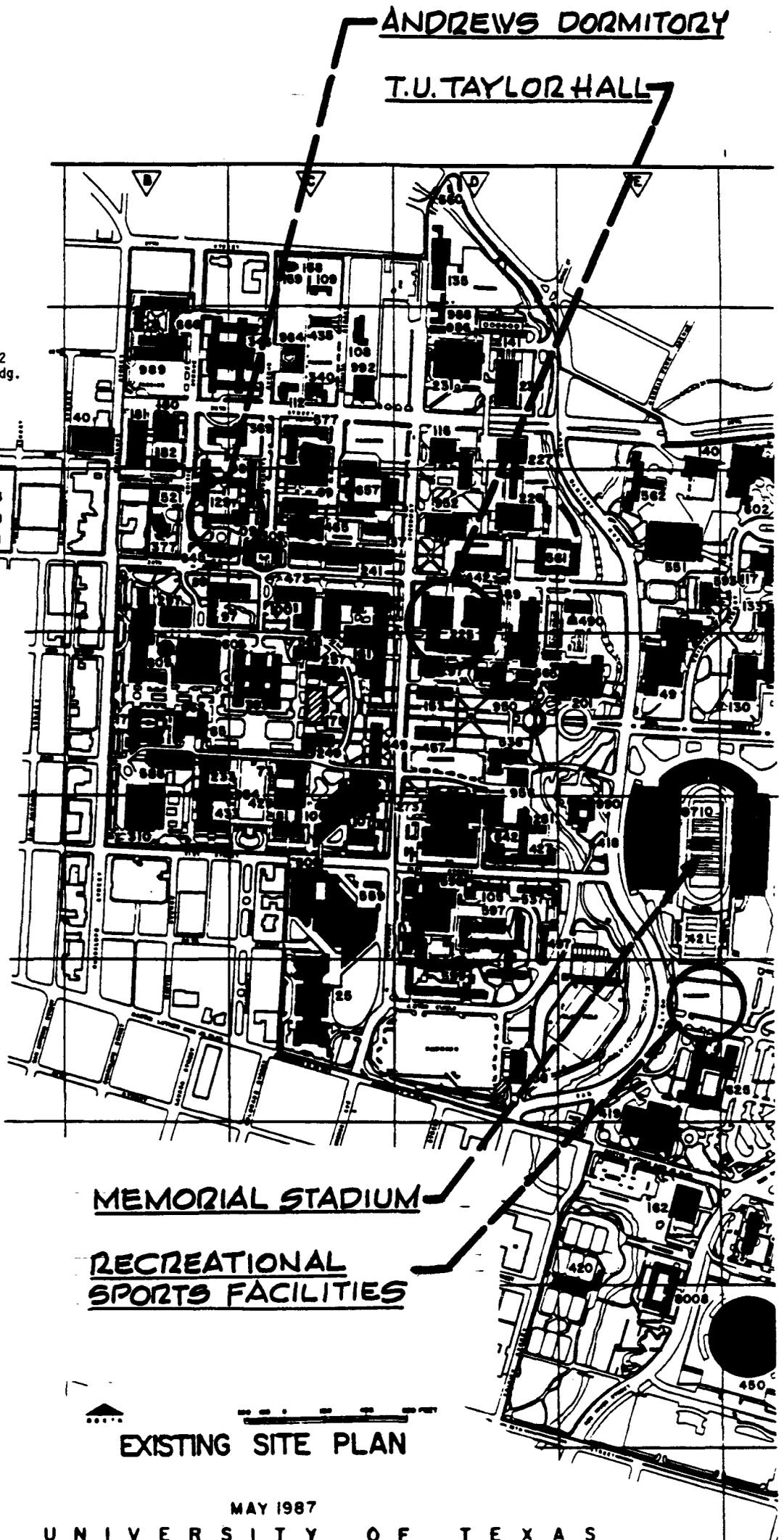
#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Nedderman that the U. T. Board of Regents:

- a. Authorize replacement of the artificial turf at Maverick Stadium on the campus at U. T. Arlington at an estimated total project cost of \$400,000

BUILDING INDEX

- 09 Andrews Dormitory
- 17 Goldsmith Hall
- 25 College of Education Bldg.
- 40 Walter Webb Hall
- 49 Art Building
- 65 Battle Hall
- 73 Batts Hall
- 81 Benedict Hall
- 89 Biological Laboratories
- 98 Blanton Dormitory
- 99 Burdine Hall
- 105 Brackenridge Hall Dorm.
- 106 Grad. School of Business
- 107 College of Business Admin.
- 116 Robert Lee Moore Hall
- 117 Music Building East
- 129 Carothers Dormitory
- 130 Fine Arts Library
- 133 Drama Workshop
- 135 Animal Resources Center
- 153 E. P. Schoch Building
- 161 Robert A. Welch Hall
- 162 Collections Deposit Library
- 178 Computation Center
- 180 Communications Bldg. A
- 181 Communications Bldg. B
- 182 Texas Student Publ.
- 201 E. Loren Winship Drama Bldg.
- 225 T. U. Taylor Hall
- 226 Engineering Science Bldg.
- 227 Ernest Cockrell, Jr. Hall
- 230 Engineering Teaching Ctr. No. 2
- 231 Chem. & Petrol. Engineering Bldg.
- 233 Parlin Hall
- 241 Experimental Science Bldg.
- 249 Garrison Hall
- 257 Will C. Hogg Bldg.
- 273 Gregory Gymnasium
- 281 Hill Hall Dormitory
- 297 Hogg Memorial Auditorium
- 305 Mary E. Gearing Hall
- 310 Harry Ransom Center
- 340 International Center
- 346 Kinsolving Dormitory
- 369 Littlefield Dormitory
- 377 Littlefield Home
- 393 Main Building
- 418 L. Theo Belmont Hall
- 419 Texas Swimming Center
- 420 Tennis Center
- 421 Neuhaus-Royal Athletic Ctr.
- 425 Mezes Hall
- 427 Moore Hall Dormitory
- 433 Music Building
- 442 W. R. Woolrich Laboratories
- 450 Erwin Spec. Events Center
- 457 Economics Bldg.
- 465 Pharmacy Building
- 473 T. S. Painter Hall
- 489 Hal C. Weaver Power Plant
- 497 Prather Hall Dormitory
- 500 University Teaching Center
- 537 Roberts Hall Dormitory
- 538 Russell A. Steindam Hall
- 551 Parking Facility
- 559 Perry Castaneda Library
- 561 Service Building
- 562 Simkins Hall Dormitory
- 569 Student Services Building
- 577 Student Health Center
- 585 Sutton Hall
- 593 Texas Memorial Museum
- 598 Beauford H. Jester Center
- 599 Jester Dormitory
- 602 Jesse H. Jones Hall
- 605 Peter T. Flawn Academic Ctr.
- 609 Union Building
- 625 Education Annex
- 645 Geography Building
- 649 Waggener Hall
- 652 West Mall Office Building
- 657 Anna Hiss Gymnasium
- 666 Women's Co-op Housing
- 950 Geology Building
- 952 J. T. Patterson Laboratories
- 953 Wooldridge Hall
- 954 Calhoun Hall
- 984 Social Work Bldg.
- 989 2608 Whitis
- 990 Lila B. Etter Alumni House
- 992 100 East 26th
- 8008 Sch. of Nursing Bldg.
- 9710 Memorial Stadium



- b. Authorize completion of final plans and specifications, advertisement for bids, award of construction contract and completion of project by U. T. Arlington Administration with its own forces or through contract services, as required, in consultation with the Office of Facilities Planning and Construction
- c. Appropriate \$400,000 from U. T. Arlington unappropriated auxiliary cash balances for total project funding.

This item requires the concurrence of the Academic Affairs and Finance and Audit Committees.

#### BACKGROUND INFORMATION

The artificial turf at Maverick Stadium on the campus of U. T. Arlington is now nine years old and in need of replacement. U. T. Arlington has entered into a long-term agreement with the Arlington Independent School District for the use of the stadium and one of the provisions of the contract is the replacement of the artificial turf at least once every ten years. The funds appropriated for this project from unappropriated auxiliary cash balances will be repaid from payments received from the Arlington Independent School District in accordance with the lease agreement.

The turf replacement is considered to be equipment replacement and does not need to be submitted to the Texas Higher Education Coordinating Board for consideration.

The turf replacement is an unanticipated project and was not listed in the last Board approved Capital Improvement Program.

- 3. U. T. Austin - Andrews Dormitory and Kinsolving Dormitory - Phased Remodeling of Food Service Facilities - Phase I - Andrews Dormitory: Request for Approval of Final Plans; Authorization to Advertise for Bids and Award Contracts; and Appropriation Therefor.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Cunningham that the U. T. Board of Regents:

- a. Approve final plans and specifications for the Remodeling of Food Service Facilities - Phase I - Andrews Dormitory at U. T. Austin at an estimated total project cost of \$1,324,000
- b. Authorize the Office of the Vice President for Business Affairs at U. T. Austin to advertise for bids and award all contracts associated with the Phase I project within the authorized total project cost

- c. Appropriate \$1,200,000 from U. T. Austin Housing and Food Reserve Funds for total Phase I project funding. Previous appropriations have been \$124,000 from the same source.

#### BACKGROUND INFORMATION

In accordance with authorization of the U. T. Board of Regents in December 1988, final plans and specifications for the Remodeling of Food Service Facilities - Phase I - Andrews Dormitory at U. T. Austin have been prepared by the Project Architect, Coffee Crier and Schenck, Austin, Texas.

The remodeling of food service facilities at U. T. Austin is a two-phase project. Phase I involves the remodeling, repairs, and equipment replacement in Andrews Dormitory to update the facilities in terms of modern food preparation, service, and sanitation practices, as well as efficient and adequate storage facilities. The estimated construction cost for Phase I is \$510,000 within an estimated Phase I total project cost of \$1,324,000 including equipment. The estimated combined total project cost of Phase I - Andrews Dormitory and Phase II - Kinsolving Dormitory is \$4,162,288.

Management of the project through the Office of the Vice President for Business Affairs at U. T. Austin was authorized by the U. T. Board of Regents in August 1988.

This project was approved by the Texas Higher Education Coordinating Board in October 1988.

4. U. T. Austin - Memorial Stadium - Replacement of Artificial Turf and Synthetic Track Surface: Request for Project Authorization; Appointment of Project Engineer to Prepare Final Plans; Authorization to Advertise for Bids and for the Chancellor or His Designee to Award Contracts; and Appropriation Therefor.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Cunningham that the U. T. Board of Regents:

- a. Authorize a project for the replacement of the artificial turf and the synthetic track at Memorial Stadium on the campus of U. T. Austin at an estimated total project cost of \$1,025,000
- b. Appoint the firm of Lamb & Barger Consulting Engineers, Houston, Texas, as Project Engineer to prepare final plans and specifications
- c. Authorize the Office of Facilities Planning and Construction to advertise for bids and, because of the critical time schedule, authorize the Chancellor or his designee

in consultation with the Office of General Counsel to award all contracts associated with this project within the authorized total project cost

- d. Appropriate \$875,000 from reserve funds of the Men's Intercollegiate Athletics Department at U. T. Austin and \$150,000 from U. T. Austin's unappropriated auxiliary enterprise fund balances for total project funding.

This item requires the concurrence of the Academic Affairs and Finance and Audit Committees.

#### BACKGROUND INFORMATION

The condition of the artificial playing field and the synthetic track surface at Memorial Stadium on the campus of U. T. Austin is such that replacement has been recommended by the Director of Intercollegiate Athletics and has been approved by the Men's Athletics Council.

The playing field is in constant use by both men's and women's athletics, the Longhorn Band, ROTC, Recreational Sports and Physical Education. It is also used by the University Interscholastic League for many of its activities. Whenever a university or UIL activity is not in progress, the facility is open for Intercollegiate Athletics activities, joggers, students and the general public.

The artificial turf on the playing field and the synthetic running track were both last replaced in 1982.

The replacement of the playing field and track surfaces is considered to be equipment replacement and does not need to be submitted to the Texas Higher Education Coordinating Board for consideration.

The turf replacement is an unanticipated project and was not listed in the last Board approved Capital Improvement Program.

5. U. T. Austin - Recreational Sports Facility - Phase I (Project No. 102-596): Request for Approval of Plaque Inscription.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Cunningham that the U. T. Board of Regents approve the inscription set out on Page B&G - 8 for a plaque to be placed on the Recreational Sports Facility being constructed at U. T. Austin. The inscription follows the standard pattern approved by the U. T. Board of Regents in June 1979.

RECREATIONAL SPORTS BUILDING  
1988

BOARD OF REGENTS

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W. A. "Tex" Moncrief, Jr.  
Mario Yzaguirre

Hans Mark  
Chancellor, The  
University of Texas System  
William H. Cunningham  
President, The University  
of Texas at Austin  
  
F&S Partners Inc.  
Project Architect  
Pepper-Lawson Construction, Inc.  
Contractor

BACKGROUND INFORMATION

A construction contract for the Recreational Sports Facility at U. T. Austin was approved by Executive Committee Letter 88-21 in June 1988. The U. T. Austin Administration wishes to install a building plaque on the new facility. Funds for the purchase and installation of the plaque are included in the construction contract amount.

6. U. T. Austin: Recommendation to Rename T. U. Taylor Hall of Engineering as T. U. Taylor Hall.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Cunningham that the U. T. Board of Regents authorize changing the name of T. U. Taylor Hall of Engineering at U. T. Austin to "T. U. Taylor Hall."

This item requires the concurrence of the Academic Affairs Committee.

BACKGROUND INFORMATION

In 1958, the Mechanical Engineering Lab was renamed by the U. T. Board of Regents as T. U. Taylor Hall of Engineering in honor of T. U. Taylor, who had served as Dean of the College of Engineering. A few years ago this building was assigned to the College of Natural Sciences and is currently occupied by the Department of Computer Sciences. Removing the words "of Engineering" will allow Dean T. U. Taylor to be honored but will remove the perception that the building is an engineering facility.

7. U. T. Dallas: Student Apartment Project with Worthing Central Corporation, Dallas, Texas - Recommendation to Concur in Temporary Administrative Extension of Deadline to Commence Construction; to Extend Deadline to Commence Construction and Waive Right to Declare Default; to Authorize Appropriate System Officials to Evaluate Prospective Joint Venture Partners and to Conclude Negotiation on Amendments to Ground Lease and Related Documents; to Authorize the Executive Committee to Execute Amendments to Ground Lease and Related Documents; and to Authorize the Executive Committee to Execute Documents Necessary to Approve the Assignment of Worthing's Leasehold Interest, Rights and Obligations to a Joint Venture Entity.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Rutford that the U. T. Board of Regents:

- a. Concur in action of the Executive Vice Chancellor for Academic Affairs related to the temporary administrative extension of the December 31, 1988, construction commencement deadline set in the existing Ground Lease between the U. T. Board of Regents, for and on behalf of U. T. Dallas, and Worthing Central Corporation, Dallas, Texas, to February 9, 1989
- b. Extend the construction commencement deadline and waive right to declare an Event of Default for failure to commence construction until April 13, 1989, pending the negotiation and approval of acceptable amendments to the Ground Lease and related documents
- c. Authorize the Office of Asset Management and the Office of General Counsel to evaluate prospective Worthing Central Corporation joint venture partners on the basis of financial strength and managerial ability and authorize U. T. Dallas, the Office of Academic Affairs, and the Office of General Counsel to conclude negotiations on amendments to the Ground Lease and related documents necessary to accommodate the reasonable requirements of a Worthing Central Corporation prospective joint venture
- d. Authorize the Chairman of the Board on behalf of the Executive Committee to execute all amendments to the Ground Lease and related documents necessary to accommodate the reasonable requirements of a Worthing Central Corporation prospective joint venture
- e. Authorize the Chairman of the Board on behalf of the Executive Committee to execute documents necessary to approve

the assignment and transfer of Worthing Central Corporation's leasehold interest, rights, and obligations under the Ground Lease and related documents to a joint venture entity comprised of Worthing Central Corporation and other joint venturers.

This item requires the concurrence of the Academic Affairs Committee.

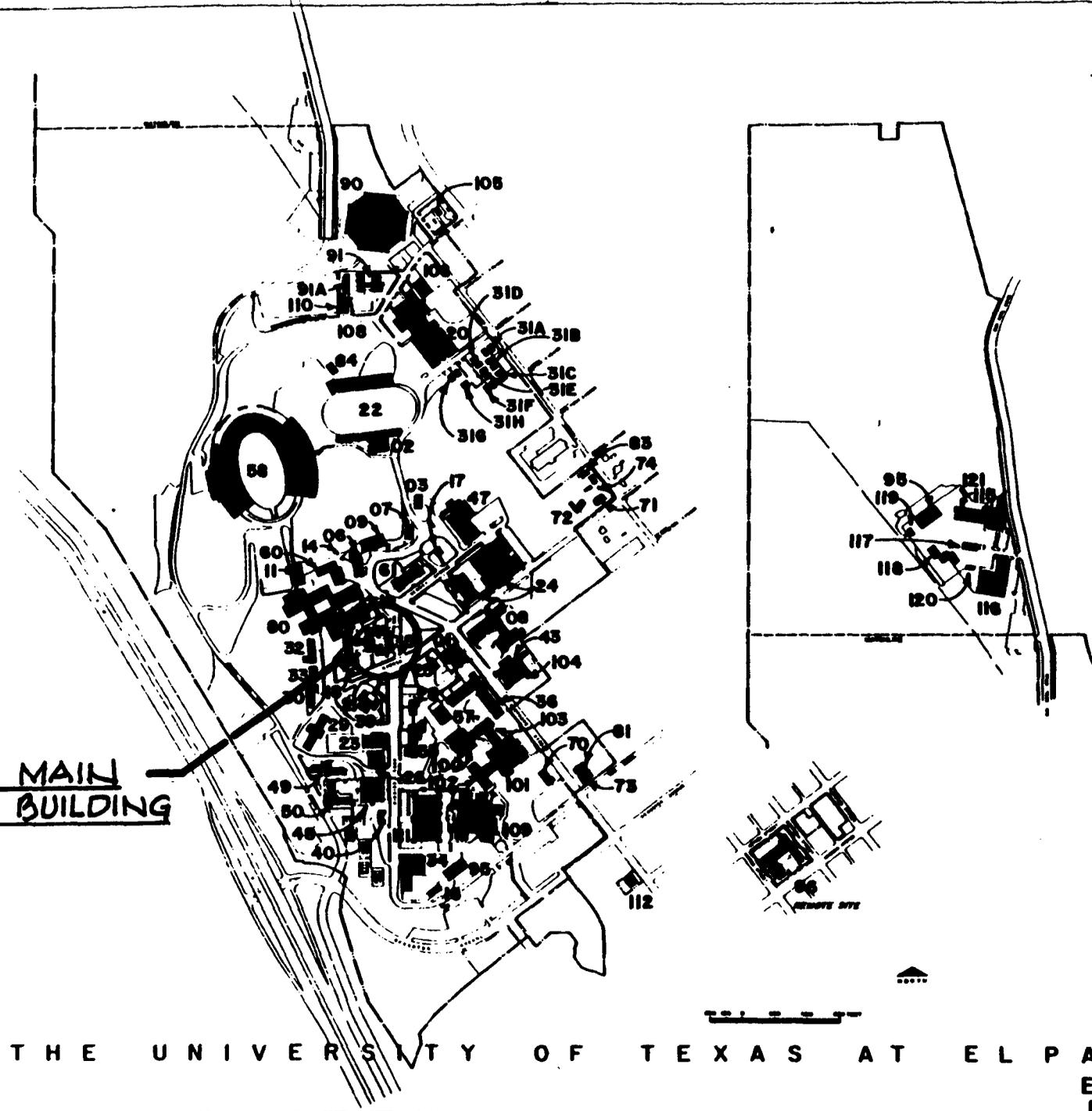
#### BACKGROUND INFORMATION

On October 1, 1987, the U. T. Board of Regents executed a Ground Lease and a Property Operating Agreement with Worthing Central Corporation to accomplish the private financing, construction and operation of a student apartment project on a 9.8745 acre tract leased out of the U. T. Dallas campus. The final form of all contractual agreements with Worthing had previously been approved by the Executive Committee of the Board in accordance with December 1985 instructions from the U. T. Board of Regents. Under the Ground Lease, the U. T. Board of Regents leased the tract to Worthing for 35 years with a one-time option to extend the lease for 15 years. Worthing agreed to finance, construct, manage and maintain eleven two and three story student apartment buildings, a club house and parking facilities which will revert to the U. T. Board of Regents at no cost at the expiration of the lease. Consideration to be paid by Worthing includes a \$486 base rent and a yearly sliding percentage rental based on gross project revenues over \$1 million. The lease grants the U. T. Board of Regents an option to purchase the improvements after the fifth year of the lease at a price equal to the greater of (1) actual cost of improvements plus 12% or (2) the fair market value at the time of purchase.

At the time the Ground Lease was executed, it was anticipated that the U. T. Dallas student apartment project would be completed before the beginning of the Summer Session 1988. The Ground Lease provides that the U. T. Board of Regents may declare an Event of Default if construction on the apartments is not commenced on or before December 31, 1988.

Adverse changes in the real estate, construction and financial markets made it difficult for Worthing to obtain acceptable financing for this project, consistent with the mutual goal of providing quality campus housing at a rental rate affordable to students, thereby delaying commencement of construction. In December 1988, Worthing obtained tentative commitments from a lender to finance the project and from prospective equity partners to participate in the project. Worthing now proposes to join with these partners to create a new joint venture by assigning to the joint venture its interest in the Ground Lease and all contractual rights and duties in connection with the project.

Time required for Worthing to complete these arrangements and to obtain approval of the proposed assignment of interest and the amendments requested by the prospective joint venturers and financial institutions, prohibited Worthing from commencing construction before the December 31, 1988, deadline provided in the Ground Lease. As there was insufficient time to obtain Regental approval to extend the construction deadline by formal amendment of the Ground Lease, the Executive



**BUILDING INDEX**

- |                                     |  |
|-------------------------------------|--|
| 01 ADMINISTRATION BUILDING          | 43 SOLAR DEMONSTRATION HOUSE                         |
| 02 HOLLIDAY HALL                    | 47 EDUCATION BUILDING                                |
| 03 GRAHAM HALL                      | 48 UNIVERSITY COMMONS                                |
| 06 QUINN HALL                       | 49 BARRY HALL  |
| 07 JACK C. VONELL HALL              | 50 KELLY HALL  |
| 08 LIBERAL ARTS BUILDING            | 55 BELL HALL   |
| 09 OLD MAIN BUILDING                | 57 CENTRAL ENERGY PLANT                              |
| 11 SEAMON HALL                      | 58 SUN BOWL STADIUM                                  |
| 14 KIDD MEMORIAL SEISMIC LABORATORY | 60 GEOLOGY BUILDING                                  |
| 16 PHYSICAL PLANT ANNEX             | 61 PSYCHOLOGY BUILDING                               |
| 17 SPECIAL PROJECTS CENTER          | 70 NEWS SERVICE CENTER                               |
| 18 COTTON MEMORIAL BUILDING         | 71 OREGON STREET HOUSE NO. 1                         |
| 19 MAGOFFIN AUDITORIUM              | 72 SPEECH AND HEARING CLINIC                         |
| 20 MEMORIAL GYM                     | 73 CAMPUS POLICE BUILDING                            |
| 21 CENTENNIAL MUSEUM                | 74 OREGON STREET HOUSE NO. 2                         |
| 22 KIDD FIELD                       | 80 FOX FINE ARTS CENTER                              |
| 23 BATH HOUSE AND SWIMMING POOL     | 81 INTERNATIONAL HOUSE                               |
| 24 THE UNION BUILDING EAST AND WEST | 83 OREGON STREET HOUSE NO. 3                         |
| 25 ADMINISTRATION ANNEX             | 84 ROSS MOORE BUILDING                               |
| 26 WOMEN'S GYM                      | 90 SPECIAL EVENTS CENTER                             |
| 28 BENEDICT HALL                    | 91 BRUMBELOW BUILDING                                |
| 29 BURGESS HALL                     | 91A INTERCOLLEGIATE ATHLETICS WAREHOUSE              |
| 30 HUDSPETH HALL                    | 95 PHYSICAL PLANT WAREHOUSE (BEING RELOCATED)        |
| 31A U. T. EL PASO VILLAGE APT. A    | 96 NURSING COLLEGE (REMOTE SITE)                     |
| 31B U. T. EL PASO VILLAGE APT. B    | 100 BIOLOGY BUILDING                                 |
| 31C U. T. EL PASO VILLAGE APT. C    | 101 ENGINEERING BUILDING                             |
| 31D U. T. EL PASO VILLAGE APT. D    | 102 METALLURGY BUILDING                              |
| 31E U. T. EL PASO VILLAGE APT. E    | 103 CLASSROOM BUILDING                               |
| 31F U. T. EL PASO VILLAGE APT. F    | 104 LIBRARY ANNEX                                    |
| 31G U. T. EL PASO VILLAGE APT. G    | 105 UNIVERSITY TICKET CENTER                         |
| 31H U. T. EL PASO VILLAGE APT. H    | 106 SATELLITE THERMAL ENERGY PLANT                   |
| 32 MINERS HALL                      | 108 SPECIAL EVENTS CENTER WAREHOUSE                  |
| 33 WORRELL HALL                     | 109 COLLEGE OF BUSINESS ADMINISTRATION               |
| 34 PHYSICAL PLANT BUILDING          | 110 MILITARY SCIENCE BUILDING                        |
| 35 MAIN LIBRARY                     | 111 CENTRAL LIBRARY                                  |
| 36 PHYSICAL SCIENCE BUILDING        | 112 HAWTHORNE STREET HOUSE #1                        |
| 39 LOCOMOTIVE SHELTER               | 113  |
| 40 HEALTH SERVICE                   | 114  |
| 41 HOOVER HOUSE (REMOTE SITE)       | 115 PHYSICAL PLANT ADMINISTRATION/<br>SHOPS BUILDING |
|                                     | 116 WAREHOUSE/CENTRAL RECEIVING BLDG.                |
|                                     | 117 VEHICLE MAINTENANCE BUILDING                     |
|                                     | 118 CUSTODIAL & GROUNDS BUILDING                     |
|                                     | 119 WASTE STORAGE BUILDING                           |
|                                     | 120 STORAGE BUILDING                                 |
|                                     | 121 STORAGE BUILDING                                 |

**FORMER MAIN  
LIBRARY BUILDING**

Vice Chancellor for Academic Affairs provided Worthing a letter of intent dated December 21, 1988, committing to recommend that the U. T. Board of Regents extend the deadline.

Ongoing negotiations between representatives of Worthing Central Corporation and the U. T. System are expected to produce a final set of acceptable amendments to the Ground Lease and related documents, hopefully prior to the February 1989 meeting of the U. T. Board of Regents. Worthing has been notified that the U. T. System must be furnished with sufficient information on all prospective new joint venturers in this project to permit an effective evaluation of financial strength and managerial ability as a prerequisite to approval of transfer or assignment of all or any part of Worthing's leasehold interest, rights and obligations.

8. U. T. El Paso - Former Main Library Building - Remodeling for Department of Geological Sciences (Project No. 201-671): Request for Approval of Final Plans; Authorization to Advertise for Bids and for Executive Committee to Award Contracts; Additional Appropriation Therefor, and Redesignation of Facility.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Natalicio that the U. T. Board of Regents:

- a. Approve final plans and specifications for the remodeling of the Former Main Library Building for the Department of Geological Sciences at U. T. El Paso at an estimated total project cost of \$6,800,000
- b. Authorize the Office of Facilities Planning and Construction to advertise for bids
- c. Subject to approval by the Coordinating Board, authorize the Executive Committee to award all contracts associated with this project within the authorized total project cost
- d. Appropriate \$6,500,000 in Permanent University Fund Bond Proceeds for total project funding, with the understanding that \$2.1 million is an advance commitment from the next update of the Capital Improvement Program. Previous appropriations have been \$300,000 from the same source.
- e. Redesignate the facility as the Geological Sciences Building.

#### BACKGROUND INFORMATION

In accordance with authorization of the U. T. Board of Regents in April 1988, final plans and specifications for the remodeling of the Former Main Library Building to house the Department of Geological Sciences at U. T. El Paso have

been prepared by the Project Architect, Carroll, DuSang, and Rand, El Paso, Texas. When the renovation of the former library was originally incorporated into the Capital Improvement Program in 1985, it was expected that the building would be converted for use as administrative offices at a cost of \$4.7 million. It was also anticipated that U. T. El Paso would later construct a new science laboratory building at an estimated cost of \$22.8 million and renovate existing geology facilities at an estimated additional cost of \$4.52 million.

In June 1987, the U. T. Board of Regents authorized a project for remodeling the former library for the Department of Geological Sciences rather than for administrative offices, anticipating that this conversion would result in higher costs. This revised use permits U. T. El Paso to meet its laboratory needs without incurring the cost of constructing a new science building. This project has been carried in the Capital Improvement Program at \$4.7 million, the amount originally estimated for conversion to an administrative office building. At the April 1988 meeting, it was reported that the architect then estimated total project cost, including appropriate furniture and equipment, to be approximately \$6.8 million. The majority of the higher cost can be attributed to the added cost of acquiring and installing laboratory casework and equipment in the space.

The remodeling of the former library facility will provide space in one building for most of the laboratory, office and support facilities of the Department of Geological Sciences. The remodeled interior will provide laboratory space necessary for modern equipment; faculty offices; lecture, reading and study rooms; and archival and equipment storage facilities. The project also includes repair of the exterior of the building and addition of one elevator and staircase to meet code requirements. The gross floor area of the existing building, together with the elevator and staircase addition, is 90,554 square feet. The estimated construction cost is \$4,500,000, resulting in a unit cost of \$49.69 per gross square foot.

Since final action on the biennial update of the Capital Improvement Program is likely to be deferred to April 1989, the advance additional allocation of \$2.1 million is needed now to permit proceeding on schedule with bidding and construction of an integrated project for the renovation of this facility rather than its division into two segments or using bid alternates, either of which is likely to increase project costs and/or result in a less than satisfactory project result.

This project will be considered for approval by the Texas Higher Education Coordinating Board at its meeting on January 26-27, 1989.

9. U. T. San Antonio - Engineering Building - Phase I (Project No. 401-616A): Request for Approval of Plaque Inscription.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Wagener that the U. T. Board of Regents approve the inscription

set out below for a plaque to be placed on the Engineering Building - Phase I at U. T. San Antonio. The inscription follows the standard pattern approved by the U. T. Board of Regents in June 1979.

ENGINEERING BUILDING  
1988

BOARD OF REGENTS

Jack S. Blanton, Chairman	Hans Mark
Shannon H. Ratliff, Vice-Chairman	Chancellor, The
Bill Roden, Vice-Chairman	University of Texas System
Robert B. Baldwin III	James W. Wagener
Sam Barshop	President, The University
Louis A. Beecherl, Jr.	of Texas at San Antonio
Jess Hay	
W. A. "Tex" Moncrief, Jr.	JonesKell Architects
Mario Yzaguirre	Project Architect
	Spaw-Glass Construction
	Services, Inc.
	Contractor

BACKGROUND INFORMATION

A construction contract for the Engineering Building - Phase I at U. T. San Antonio was approved by Executive Committee Letter 89-11 in December 1988. The U. T. San Antonio Administration wishes to install a building plaque on the new facility. Funds for the purchase and installation of the plaque are included in the construction contract amount.

10. U. T. Medical Branch - Galveston - Medical Research Building (Project No. 601-665): Report of Bid Opening and Recommendation for Contract Award.--

RECOMMENDATION

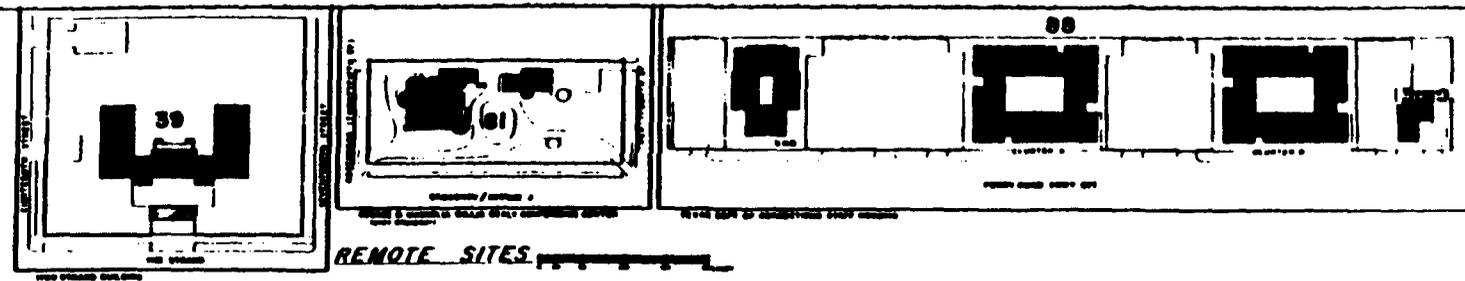
In accordance with authorization of the U. T. Board of Regents at the December 1988 meeting, bids for construction of the Medical Research Building at the U. T. Medical Branch - Galveston are scheduled to be received on January 25, 1989.

A report of this bid opening, including a tabulation of bids and a recommendation concerning award of a construction contract, will be distributed to the members of the U. T. Board of Regents in advance of the meeting.

# BUILDING INDEX

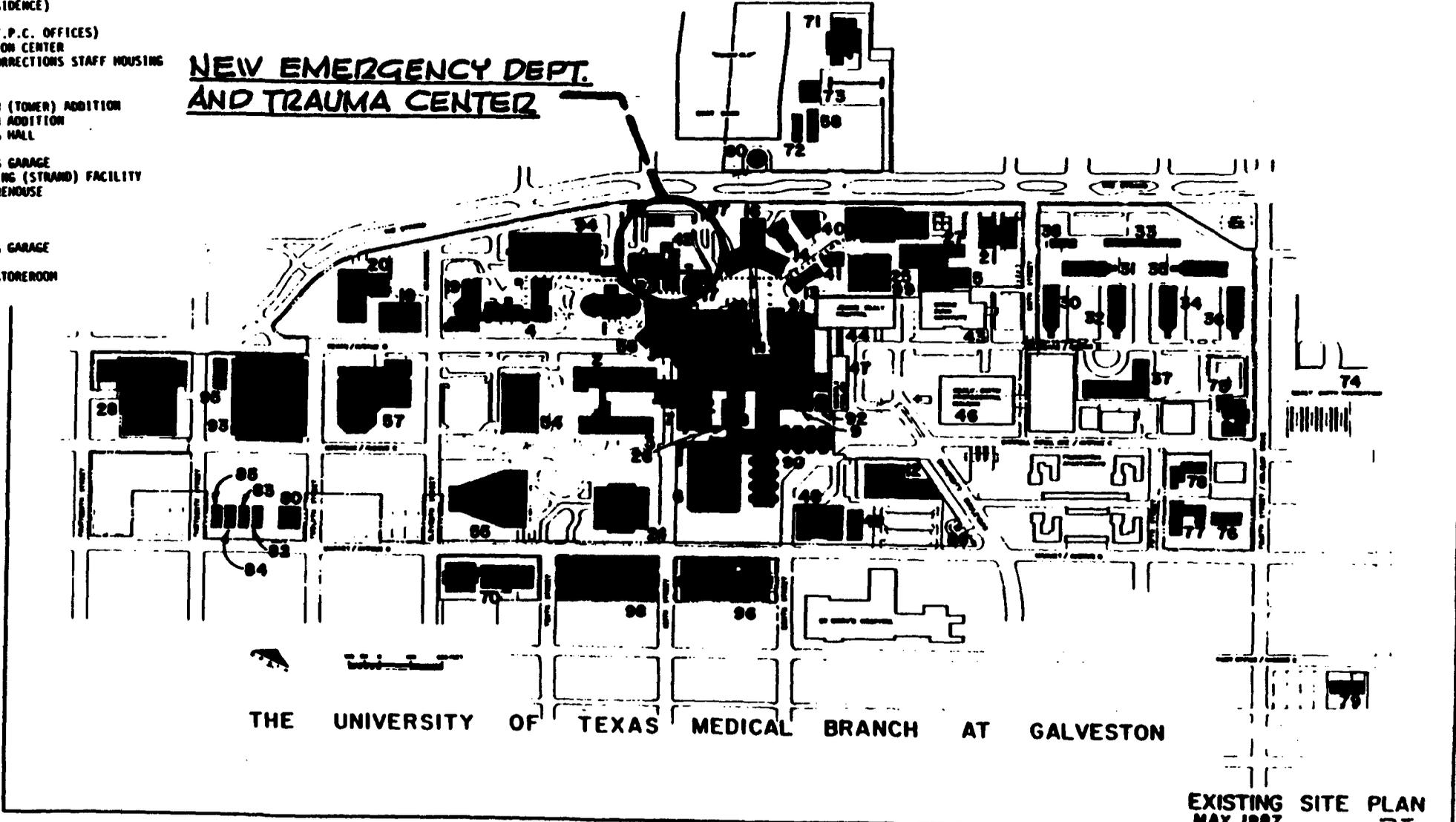
- 1 ASHBEL SMITH (OLD RED)
- 2 KELLER BUILDING
- 3 GAIL BORDER BUILDING
- 4 GRAVES BUILDING
- 5 SURGICAL RESEARCH
- 6 CHILD HEALTH CENTER
- 7 CLINICAL SCIENCES BUILDING
- 8 OLD CHILDRENS HOSPITAL
- 9 JOHN SEALY HOSPITAL
- 11 JOHN W. MCCULLOUGH BUILDING
- 12 ADMINISTRATION BUILDING
- 13 ADMINISTRATION ANNEX I
- 14 HENDRIX BUILDING
- 16 TEXAS DEPT. OF CORRECTIONS HOSPITAL
- 17 OLD PHYSICAL PLANT BUILDING (1912)
- 18 MICROBIOLOGY BUILDING
- 19 MARY HOODY NORTHER PAVILION
- 20 ANIMAL CARE CENTER
- 21 PHYSICAL PLANT BUILDING (PHASE I)
- 23 LAUNDRY
- 24 HOODY MEMORIAL LIBRARY
- 25 CARPENTER SHOP
- 26 LAUNDRY CART STORAGE AND BED REPAIR SHOP
- 27 SURGICAL RESEARCH ANNEX - HYPERBARIC
- 28 GENERAL STORES WAREHOUSE
- 30 BRACKENRIDGE HALL
- 31 CLAY HALL
- 32 BETHEL HALL
- 33 NOLAN HALL
- 34 VINSANT HALL
- 35 MORGAN HALL
- 36 LEAGUE HALL
- 37 UNIT "D"
- 38 DORM MACHINE ROOM
- 39 1700 STRAND (REMOTE SITE)
- 40 THERMAL ENERGY PLANT (CHILL WTR. TRANS.)
- 41 PAINT SHOP
- 42 INCINERATOR BUILDING
- 43 SHRINE BURN INSTITUTE
- 44 JENNIE SEALY HOSPITAL
- 46 SEALY & SMITH PROFESSIONAL BLDG.
- 47 MAVERLY SMITH BUILDING
- 48 ADMINISTRATION ANNEX II
- 49 ADMINISTRATION ANNEX III
- 53 LABOR BUILDING
- 54 BASIC SCIENCES BUILDING
- 55 LEARNING CENTER
- 56 AMBULATORY CARE CENTER
- 57 SCHOOLS OF ALLIED HEALTH SCIENCES & NURSING
- 58 LIFE FLIGHT MAINTENANCE BLDG.
- 60 HELIPORT
- 70 PHARMACOLOGY BUILDING
- 71 MAIRICE EWING HALL (U.T. AUSTIN BLDG. NO. 9010)
- 72 U.T.M.B. MARINE BIOMEDICAL INSTITUTE

- 73 U.S.I. DOCKSIDE FACILITY (U.T. AUSTIN BLDG. NO. 5001)
- 74 RECREATION FACILITIES
- 75 ALUMNI FIELD HOUSE & SWIMMING POOL
- 76 PHI DELTA EPSILON
- 77 NU SIGMA NU
- 78 PHI RHO SIGMA
- 79 ALPHA KAPPA KAPPA
- 80 1202 MARKET (RESIDENCE)
- 81 SEALY CONFERENCE CENTER (REMOTE SITE)
- 82 1216 MARKET (RESIDENCE)
- 83 1220/1222 MARKET (DUPLEX)
- 84 1224 MARKET (RESIDENCE)
- 85 1228 MARKET (O.F.P.C. OFFICES)
- 86 CAMPUS INFORMATION CENTER
- 88 TEX. DEPT. OF CORRECTIONS STAFF HOUSING (REMOTE SITE)
- 90 JOHN SEALY SOUTH (TOWER) ADDITION
- 91 JOHN SEALY NORTH ADDITION
- 92 SNACK BAR/DINING HALL
- 93 EMPLOYEE PARKING GARAGE
- 94 AMBULATORY PARKING (STRAND) FACILITY
- 95 CONSTRUCTION WAREHOUSE
- 96 PARKING GARAGE
- 97 GUARD KIOSK
- 98 EMPLOYEE PARKING GARAGE
- 99 PHYSICAL PLANT STOREROOM



REMOTE SITES

## NEW EMERGENCY DEPT. AND TRAUMA CENTER



THE UNIVERSITY OF TEXAS MEDICAL BRANCH AT GALVESTON

EXISTING SITE PLAN  
MAY 1987

BUILDINGS AND GROUNDS COMMITTEE

SUPPLEMENTAL MATERIAL

February 9, 1989

10. U. T. Medical Branch - Galveston - Medical Research Building (Project No. 601-665): Recommended Award of Construction Contract to Robert E. McKee, Inc., Dallas, Texas.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President James that the U. T. Board of Regents award a construction contract for the Medical Research Building at the U. T. Medical Branch - Galveston to the lowest responsive bidder, Robert E. McKee, Inc., Dallas, Texas, for the Base Bid and Alternate Bids No. A1, A2, E1, E3 and E4 in the amount of \$21,626,850.

BACKGROUND INFORMATION

In accordance with authorization of the U. T. Board of Regents in December 1988, bids for the construction of the Medical Research Building at the U. T. Medical Branch - Galveston were received and opened on January 25, 1989, as shown on Pages B&G 13b - 13d.

The recommended contract award to Robert E. McKee, Inc., Dallas, Texas, in the amount of \$21,626,850 can be made within the authorized total project cost of \$25,000,000.

The total project cost is composed of the following elements:

Construction Cost	\$21,626,850
Fees and Administrative Expenses	1,783,611
Furniture and Equipment	880,000
Future Work (Testing, Air Balancing, Utility Connections)	259,539
Miscellaneous Expenses	50,000
Project Contingency	<u>400,000</u>
Total Project Cost	\$25,000,000

This project is within the scope of the current Capital Improvement Program and was approved by the Texas Higher Education Coordinating Board in October 1988.

MEDICAL RESEARCH BUILDING  
 THE UNIVERSITY OF TEXAS MEDICAL BRANCH AT GALVESTON  
 Bids Received January 25, 1989, at  
 The University of Texas Medical Branch at Galveston

<u>BIDDER</u>	<u>Robert E. McKee, Inc.</u> <u>Dallas, TX</u>	<u>Manhattan</u> <u>Construction Company</u> <u>Houston, TX</u>	<u>Spaw-Glass Builders Inc.</u> <u>Houston, TX</u>
BASE BID	\$19,875,000	\$19,749,000	\$20,000,000
Alt. No. A1 - Add, 5th Floor Shell Total 6 Stories	800,900	830,000	790,000
Alt. No. A2 - Add, 6th Floor Shell Total 7 Stories	796,000	835,000	790,000
Alt. No. A3 - Add, Cast Epoxy Lab Counters in Lieu of Plastic Laminate	91,600	143,000	98,200
Alt. No. A4 - Add, Laboratory Casework Desks	418,250	516,000	455,500
Alt. No. M1 - Add, PVDF Treated Water System in Lieu of PVC	45,250	56,000	44,500
Alt. No. M2 - Add, Epoxy Coating to Laboratory Plumbing Trim	5,700	70,500	5,600
Alt. No. E1 - Add, Parabolic Light Fixtures in Lieu of Acrylic Lense	13,300	18,800	19,500
Alt. No. E2 - Add, Change Laboratory Lighting to Indirect	126,500	169,000	139,500
Alt. No. E3 - Add, Copper Busduct in Lieu of Aluminum	40,650	61,000	40,500
Alt. No. E4 - Add, Electric Switchgear to Avoid Future Downtime	<u>101,000</u>	<u>159,000</u>	<u>97,500</u>
Recommended Contract Award - Base Bid Plus Alts. No. A1, A2, E1, E3 and E4	\$21,626,850	\$21,652,800	\$21,737,500

B&G - 13b

MEDICAL RESEARCH BUILDING  
 THE UNIVERSITY OF TEXAS MEDICAL BRANCH AT GALVESTON  
 Bids Received January 25, 1989, at  
 The University of Texas Medical Branch at Galveston

<u>BIDDER</u>	<u>Miner-Dederick Constructors, Inc. Houston, TX</u>	<u>Basic Constructors, Inc. Houston, TX</u>	<u>Brice Building Company, Inc. Metairie, LA</u>
BASE BID	\$19,995,000	\$20,100,000	\$20,220,000
Alt. No. A1 - Add, 5th Floor Shell Total 6 Stories	798,000	784,000	790,000
Alt. No. A2 - Add, 6th Floor Shell Total 7 Stories	796,000	784,000	799,000
Alt. No. A3 - Add, Cast Epoxy Lab Counters in Lieu of Plastic Laminate	117,000	90,800	87,000
Alt. No. A4 - Add, Laboratory Casework Desks	403,000	471,000	445,000
Alt. No. M1 - Add, PVDF Treated Water System in Lieu of PVC	46,000	46,000	44,300
Alt. No. M2 - Add, Epoxy Coating to Laboratory Plumbing Trim	7,600	6,000	5,460
Alt. No. E1 - Add, Parabolic Light Fixtures in Lieu of Acrylic Lense	18,000	13,600	12,802
Alt. No. E2 - Add, Change Laboratory Lighting to Indirect	141,000	124,100	116,905
Alt. No. E3 - Add, Copper Busduct in Lieu of Aluminum	40,500	41,100	38,748
Alt. No. E4 - Add, Electric Switchgear to Avoid Future Downtime	<u>97,000</u>	<u>100,200</u>	<u>94,337</u>
Recommended Contract Award - Base Bid Plus Alts. No. A1, A2, E1, E3 and E4	\$21,744,500	\$21,822,900	\$21,954,887

B&G - 13c

MEDICAL RESEARCH BUILDING  
 THE UNIVERSITY OF TEXAS MEDICAL BRANCH AT GALVESTON  
 Bids Received January 25, 1989, at  
 The University of Texas Medical Branch at Galveston

<u>BIDDER</u>	<u>Cahaba Construction Company Houston, TX</u>	<u>Centex-Rogers Construction Company Nashville, TN</u>	<u>W. S. Bellows Construction Corporation Houston, TX</u>
BASE BID	\$20,330,000	\$20,318,000	\$21,110,000
Alt. No. A1 - Add, 5th Floor Shell Total 6 Stories	805,000	802,370	790,000
Alt. No. A2 - Add, 6th Floor Shell Total 7 Stories	805,000	905,000	791,000
Alt. No. A3 - Add, Cast Epoxy Lab Counters in Lieu of Plastic Laminate	91,500	90,286	87,750
Alt. No. A4 - Add, Laboratory Casework Desks	410,000	405,010	455,000
Alt. No. M1 - Add, PVDF Treated Water System in Lieu of PVC	45,000	44,626	46,300
Alt. No. M2 - Add, Epoxy Coating to Laboratory Plumbing Trim	6,000	5,591	6,000
Alt. No. E1 - Add, Parabolic Light Fixtures in Lieu of Acrylic Lense	20,000	26,375	14,500
Alt. No. E2 - Add, Change Laboratory Lighting to Indirect	142,000	152,975	119,000
Alt. No. E3 - Add, Copper Busduct in Lieu of Aluminum	41,000	41,778	39,500
Alt. No. E4 - Add, Electric Switchgear to Avoid Future Downtime	<u>100,000</u>	<u>104,445</u>	<u>96,250</u>
Recommended Contract Award - Base Bid Plus Alts. No. A1, A2, E1, E3 and E4	\$22,101,000	\$22,197,968	\$22,841,250

B&G - 13d

11. U. T. Medical Branch - Galveston - Moody State School - New Facility (Project No. 601-575): Recommendation to Cancel Project and Associated Grant.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President James that the U. T. Board of Regents cancel the project for construction of a New Facility for Moody State School at the U. T. Medical Branch - Galveston and the associated grant from The Sealy & Smith Foundation for the John Sealy Hospital, Galveston, Texas, which would have partially funded the construction.

#### BACKGROUND INFORMATION

In December 1984, the U. T. Board of Regents authorized a project for the construction of a new facility for the Moody State School and accepted on behalf of U. T. Medical Branch - Galveston a \$4,000,000 grant from The Sealy & Smith Foundation for the John Sealy Hospital, Galveston, Texas, for partial funding of the project. Subsequent to this action, U. T. Medical Branch - Galveston reevaluated its program for the new facility and determined that rather than pursue the concept of constructing a large, discrete rehabilitation facility, a smaller demonstration type rehabilitation unit would be established within the existing hospital facilities.

The pledged grant from The Sealy & Smith Foundation was not received since the project was cancelled.

This change in program design was implemented by reorganizing space within the hospital for the Adult & Pediatric Rehabilitation Services and including the Moody State School clients. This approach proved to be successful and the plans for the new facility were cancelled.

12. U. T. Medical Branch - Galveston - John Sealy Hospital - New Emergency Department and Trauma Center Facility (Project No. 601-658): Report on Receipt of Bids; Request for Approval of Increased Total Project Cost; Appropriation of Additional Grant Funds; and Authorization to Rebid the Project and for Executive Committee to Award Contracts.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President James that the U. T. Board of Regents:

- a. Receive the report of the bid opening for the New Emergency Department and Trauma Center Facility at the U. T. Medical Branch - Galveston including the rejection of all bids received

- b. Approve an increase in the total project cost from \$18,071,400 to \$28,071,400 and appropriate an additional grant in the amount of \$10,000,000 from The Sealy & Smith Foundation.

See related Item 29 on Page L&I - 26.

- c. Subject to any additional approval required from the Texas Higher Education Coordinating Board, authorize the Office of Facilities Planning and Construction to rebid the project
- d. Authorize the Executive Committee to award all future contracts associated with this project within the revised authorized total project cost.

#### BACKGROUND INFORMATION

At the August 1988 meeting of the U. T. Board of Regents, final plans were approved for the New Emergency Department and Trauma Center Facility at the U. T. Medical Branch - Galveston at an estimated total project cost of \$18,071,400, and authorization was granted to advertise for bids. In accordance with this authorization, bids were received on October 26, 1988. The base bids were as follows:

<u>Contractor</u>	<u>Base Bid</u>
Centex-Rodgers Construction Company Nashville, Tennessee	\$22,099,000
Cahaba Construction Company Houston, Texas	\$22,890,000
The Argee Corporation Denver, Colorado	\$23,315,000
Spaw-Glass Builders, Inc. Houston, Texas	\$25,050,000

All of the base bids received exceeded the authorized budget and were, therefore, rejected.

Following the bidding of the project, a detailed evaluation was conducted by U. T. Medical Branch - Galveston Administration, the Office of Facilities Planning and Construction, the Project Architect - Pierce Goodwin Alexander, Houston, Texas - and all consulting engineers. The Project Architect retained the services of W. S. Bellows Construction Corporation, Houston, Texas, as a special consultant to help determine where previous cost estimates were in error and to make value engineering recommendations for cost savings in materials and/or methods of construction. Interviews were conducted with the general contractors and subcontractors that had bid the project to ascertain where the estimated cost disagreed with the actual bids received. The salient points of this in-depth evaluation are as follows:

1. The project was complicated in its phasing, restricting the contractor's access to the work. A rigid sequence of construction had been required for building and putting into

service certain facilities and utilities before demolition of existing facilities could be undertaken. All work had to follow critical and restrictive time schedules to avoid disruptions of ongoing John Sealy Hospital and Texas Department of Corrections Hospital operations.

2. The time frame for completion of the project spanned three years. Major work on the new Trauma Center would have been delayed for one year while site utilities were relocated, replacement facilities were constructed, and existing facilities were demolished. Unrest about future interest rates and inflation resulted in high contingency factors.
3. Economic conditions over the past several years have limited the number of general contractors and major subcontractors that can bond this size project. The costs of bonds and liability insurance have increased dramatically. These factors resulted in limited competition on this project.
4. Although the Houston construction industry has been depressed, it is showing signs of improvement. To some extent, contractors can once again choose to bid on less complicated new construction projects in Houston in lieu of more complicated renovation, demolition, and new limited access construction projects in Galveston.
5. There is limited skilled labor available in Galveston requiring a premium to cover travel to and from the site. Likewise, delivery of materials is more costly.
6. Asbestos abatement work related to demolition of older facilities carried a high contingency cost in the contractors bids.

While most of the above factors were recognized prior to receipt of bids, the aggregate impact was far underestimated by the Architect's original cost estimate consultant.

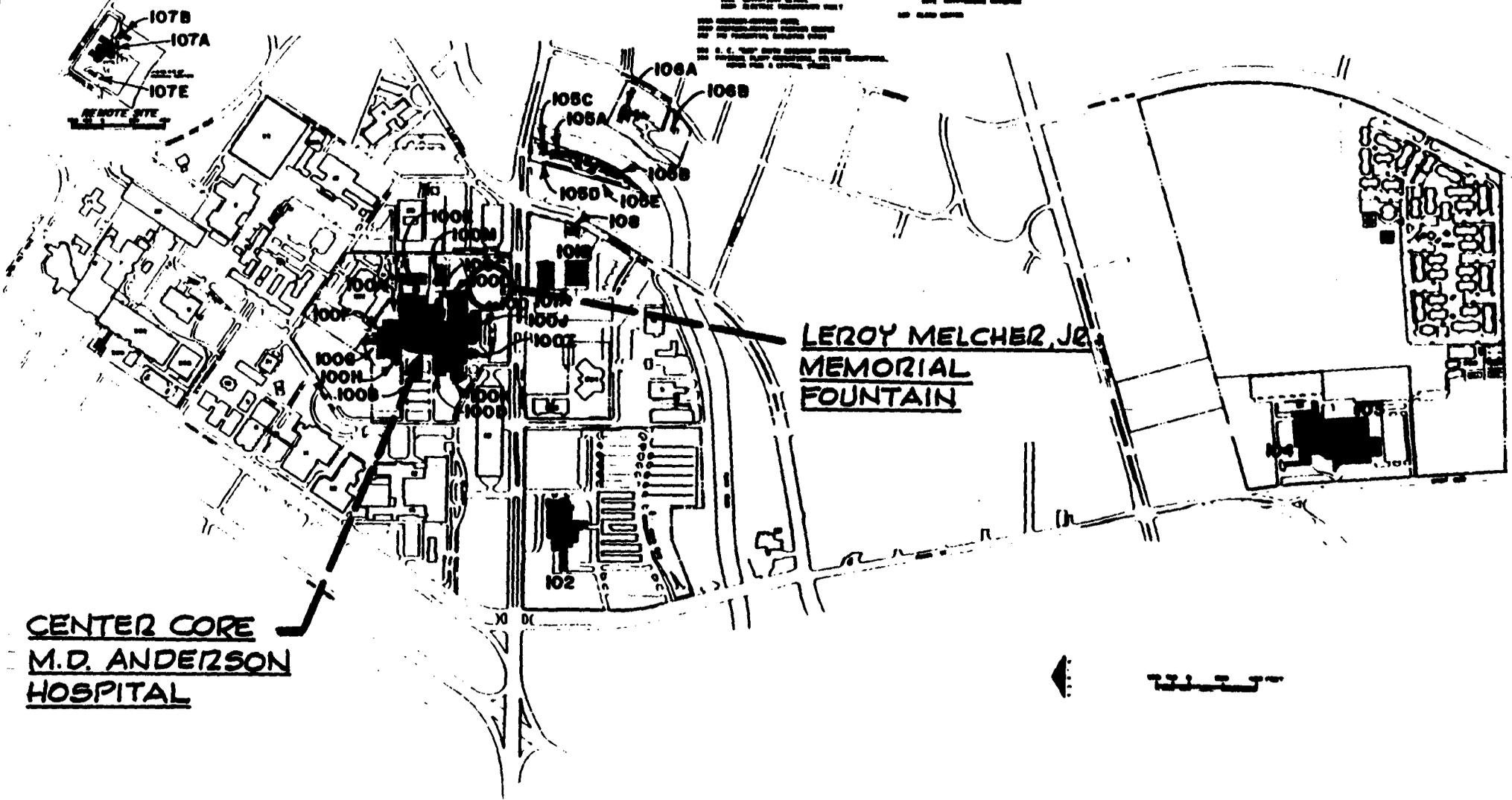
Extensive meetings were held to identify cost saving options. Approximately \$2,000,000 in savings have been identified and accepted by U. T. Medical Branch - Galveston Administration. After careful consideration by the U. T. Medical Branch - Galveston administrative group, it was decided that the scope of the project could not be further reduced without seriously compromising the programmatic plan for the facility.

Funding for the project had been provided through an \$18,071,400 grant from The Sealy & Smith Foundation. The Foundation was approached to provide additional funding in the amount of \$10,000,000 to cover the anticipated revised project costs. Notification has been received from the Foundation that the request has been approved and the Foundation grant has been increased to a total of \$28,071,400. This generous commitment by The Sealy & Smith Foundation should permit award of the base bid scope of work and alternate bid items for critical ancillary services such as incinerators, extensions of trash and linen chutes and emergency electrical generators.

**CANCER CENTER**

- 100 THE UNIVERSITY OF TEXAS M. D. ANDERSON HOSPITAL AND TUMOR INSTITUTE
  - 100A BATES FREEMAN
  - 100B ANDERSON CENTRAL
- 100C ANDERSON EAST
- 100D ANDERSON WEST
- 100E BASIC RESEARCH
- 100F GIMBEL WING
- 100G CYCLOTRON ADDITION
- 100H THERAPY WING
- 100I CHAPEL
- 100J R. LEE CLARK CLINIC
- 100K LUTHERAN PAVILION
- 100L OUTPATIENT CLINIC
- 100M ELECTRIC TRANSFORMER VAULT
- 101A ANDERSON-MAYFAIR HOTEL
- 101B ANDERSON-MAYFAIR PARKING GARAGE
- 102 THE PRUDENTIAL BUILDING (HMB)
- 103 R. E. "BOB" SMITH RESEARCH BUILDING
- 104 PHYSICAL PLANT OPERATIONS, POLICE OPERATIONS, MOTOR POOL & CENTRAL STORES
- 108 MOLCOMBE APARTMENTS
  - 105A APARTMENT BUILDING "A"
  - 105B APARTMENT BUILDING "B"
- 105C MAINTENANCE & STORAGE BUILDING
- 105D TENANT STORAGE BUILDING
- 105E TENANT STORAGE BUILDING
- 106A PRESIDENT'S RESIDENCE
- 106B COTTAGE
- 107 M. D. ANDERSON ANNEX & REHABILITATION CENTER
  - 107A CENTER CORE
  - 107B COTTAGE
- 107C TRAILER #1
- 107D TRAILER #2
- 107E MAINTENANCE BUILDING
- 108 BLOOD CENTER

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| <p><b>BASELINE DATA</b></p> <ul style="list-style-type: none"> <li>• 100 THE UNIVERSITY OF TEXAS M. D. ANDERSON HOSPITAL AND TUMOR INSTITUTE</li> <li>• 100A BATES FREEMAN</li> <li>• 100B ANDERSON CENTRAL</li> <li>• 100C ANDERSON EAST</li> <li>• 100D ANDERSON WEST</li> <li>• 100E BASIC RESEARCH</li> <li>• 100F GIMBEL WING</li> <li>• 100G CYCLOTRON ADDITION</li> <li>• 100H THERAPY WING</li> <li>• 100I CHAPEL</li> <li>• 100J R. LEE CLARK CLINIC</li> <li>• 100K LUTHERAN PAVILION</li> <li>• 100L OUTPATIENT CLINIC</li> <li>• 100M ELECTRIC TRANSFORMER VAULT</li> <li>• 101A ANDERSON-MAYFAIR HOTEL</li> <li>• 101B ANDERSON-MAYFAIR PARKING GARAGE</li> <li>• 102 THE PRUDENTIAL BUILDING (HMB)</li> <li>• 103 R. E. "BOB" SMITH RESEARCH BUILDING</li> <li>• 104 PHYSICAL PLANT OPERATIONS, POLICE OPERATIONS, MOTOR POOL &amp; CENTRAL STORES</li> <li>• 108 MOLCOMBE APARTMENTS</li> <li>• 105C MAINTENANCE &amp; STORAGE BUILDING</li> <li>• 105D TENANT STORAGE BUILDING</li> <li>• 105E TENANT STORAGE BUILDING</li> <li>• 106A PRESIDENT'S RESIDENCE</li> <li>• 106B COTTAGE</li> <li>• 107 M. D. ANDERSON ANNEX &amp; REHABILITATION CENTER</li> <li>• 107C TRAILER #1</li> <li>• 107D TRAILER #2</li> <li>• 107E MAINTENANCE BUILDING</li> <li>• 108 BLOOD CENTER</li> </ul> | <p><b>ROAD SYSTEM CENTER</b></p> <ul style="list-style-type: none"> <li>• 100 THE UNIVERSITY OF TEXAS M. D. ANDERSON HOSPITAL AND TUMOR INSTITUTE</li> <li>• 100A BATES FREEMAN</li> <li>• 100B ANDERSON CENTRAL</li> <li>• 100C ANDERSON EAST</li> <li>• 100D ANDERSON WEST</li> <li>• 100E BASIC RESEARCH</li> <li>• 100F GIMBEL WING</li> <li>• 100G CYCLOTRON ADDITION</li> <li>• 100H THERAPY WING</li> <li>• 100I CHAPEL</li> <li>• 100J R. 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ANDERSON HOSPITAL AND TUMOR INSTITUTE</li> <li>• 100A BATES FREEMAN</li> <li>• 100B ANDERSON CENTRAL</li> <li>• 100C ANDERSON EAST</li> <li>• 100D ANDERSON WEST</li> <li>• 100E BASIC RESEARCH</li> <li>• 100F GIMBEL WING</li> <li>• 100G CYCLOTRON ADDITION</li> <li>• 100H THERAPY WING</li> <li>• 100I CHAPEL</li> <li>• 100J R. LEE CLARK CLINIC</li> <li>• 100K LUTHERAN PAVILION</li> <li>• 100L OUTPATIENT CLINIC</li> <li>• 100M ELECTRIC TRANSFORMER VAULT</li> <li>• 101A ANDERSON-MAYFAIR HOTEL</li> <li>• 101B ANDERSON-MAYFAIR PARKING GARAGE</li> <li>• 102 THE PRUDENTIAL BUILDING (HMB)</li> <li>• 103 R. E. "BOB" SMITH RESEARCH BUILDING</li> <li>• 104 PHYSICAL PLANT OPERATIONS, POLICE OPERATIONS, MOTOR POOL &amp; CENTRAL STORES</li> <li>• 108 MOLCOMBE APARTMENTS</li> <li>• 105C MAINTENANCE &amp; STORAGE BUILDING</li> <li>• 105D TENANT STORAGE BUILDING</li> <li>• 105E TENANT STORAGE BUILDING</li> <li>• 106A PRESIDENT'S RESIDENCE</li> <li>• 106B COTTAGE</li> <li>• 107 M. D. 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**CENTER CORE  
M.D. ANDERSON  
HOSPITAL**

**THE UNIVERSITY OF TEXAS SYSTEM CANCER CENTER**

**EXISTING SITE PLAN  
MAY 1967**

13. U. T. M.D. Anderson Cancer Center - U. T. M.D. Anderson Hospital - Modifications and Renovations - Phase III (Project No. 703-695): Request for Authorization to Increase Project Scope; Submission to Coordinating Board; Presentation of Preliminary Plans for First Segment (Phase III-A); Authorization for Preparation of Final Plans for First Segment and Preparation of Preliminary Plans for Second Segment (Phase III-B); and Additional Appropriation Therefor.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President LeMaistre that the U. T. Board of Regents:

- a. Authorize an increase in the project cost for the third phase of modifications and renovations to the U. T. M.D. Anderson Hospital at the U. T. M.D. Anderson Cancer Center from \$4,500,000 to \$6,900,000 with construction to be accomplished in two segments (Phase III-A and Phase III-B)
- b. Authorize submission of the project to the Texas Higher Education Coordinating Board
- c. Approve preliminary plans for Phase III-A for remodeling approximately 30,000 square feet on the first floor of the Center Core of U. T. M.D. Anderson Hospital at an estimated project cost of \$4,700,000
- d. Authorize the Project Architect to complete final plans and specifications for Phase III-A to be presented to the U. T. Board of Regents for consideration at a future meeting
- e. Authorize the Project Architect to prepare preliminary plans and a detailed cost estimate for Phase III-B to be presented to the U. T. Board of Regents for consideration at a future meeting
- f. Appropriate \$5,000,000 from Permanent University Fund Bond Proceeds and \$1,700,000 from U. T. M.D. Anderson Cancer Center Institutional Reserves for total project funding. Previous appropriations have been \$200,000 from U. T. M.D. Anderson Cancer Center Institutional Reserves.

This item requires the concurrence of the Health Affairs and Finance and Audit Committees.

#### BACKGROUND INFORMATION

At the August 1988 meeting, the U. T. Board of Regents authorized a project for the third phase of modifications and renovations for the first floor of the Center Core of the Cancer Center at an estimated total project cost of \$4.5 million.

At the same time, the Board appointed the firm of Page Southerland Page, Houston, Texas, as Project Architect to develop preliminary plans and a detailed cost estimate.

Program analysis has determined that the scope of the project should be expanded to include the remodeling of approximately 4,200 square feet on the first floor of the Bates-Freeman Wing and approximately 11,400 square feet on the first floor of the original portion of the Clark Clinic Building. The area in the Bates-Freeman Wing is needed to provide additional space for a rapidly expanding service of Fine Needle Aspiration in the Department of Pathology and for the section of Cytopathology which has been cited by the American College of Pathology as having insufficient space to handle the volume of work.

The area involving the Clark Clinic Building was added to consolidate services and/or departments which are currently dispersed throughout the facility. These include the Blood Donor Room and Clinic Lab, Clinic Administrative Services and the office of the Vice President for Patient Affairs. The proposed remodeling will also provide critically needed space to accommodate offices for the Department of Genitourinary Oncology.

By increasing the scope of the original project, the Project Architect will have the opportunity to design the entire space more efficiently so that provisions can be made for these additional functions and services. This will bring the entire amount of square footage to be remodeled to 51,600 and will increase the projected total cost to \$6.9 million.

It is anticipated that this entire third phase of modifications/renovations will be accomplished in two stages. The first, Phase III-A, will include 30,000 square feet of space on the first floor of the Center Core and the second stage, Phase III-B, will finish the first floor of the Center Core (approximately 6,000 square feet) and areas on the first floor of the Bates-Freeman Wing and the Clark Clinic (approximately 15,600 square feet).

The Project Architect has completed preliminary plans for Phase III-A of this project. The estimated cost for Phase III-A is \$4.7 million which includes an amount for architect/engineering fees to continue on with the development of plans for Phase III-B of this project.

This project is the third phase of a three phase project. Phases I and II have been completed at a cost of \$10 million paid from institutional funds. Phase III was approved in principle for funding from Permanent University Fund Bond Proceeds in the amount of \$5 million as part of the Capital Improvement Program approved by the U. T. Board of Regents in October 1985. It was confirmed as a project approved in principle in the January 1987 Capital Improvement Program update. This project was authorized by the U. T. Board of Regents in August 1988 with an appropriation of \$200,000 from Institutional Reserves for appointment of a project architect to prepare preliminary plans. The funding source was erroneously reported as educational and general funds in the Capital Improvement Program Current Status Report given to the U. T. Board of Regents in December 1988. The project has been a part of the Capital Improvement Program since October 1985 with consistent funding of \$5 million from Permanent University Fund Bond Proceeds.

14. U. T. M.D. Anderson Cancer Center - U. T. M.D. Anderson Hospital - Upgrading of Mechanical Systems - Phase II (Project No 703-689): Request for Approval of Final Plans of First Segment; Authorization to Advertise for Bids and for Executive Committee to Award Contracts; and Additional Appropriation Therefor.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President LeMaistre that the U. T. Board of Regents:

- a. Approve final plans and specifications for the first segment of the Upgrading of Mechanical Hospital Systems - Phase II in the U. T. M.D. Anderson Hospital of the U. T. M.D. Anderson Cancer Center at an estimated project cost of \$2,400,000 within an estimated total project cost of \$4,700,000 for Phase II
- b. Authorize the Office of Facilities Planning and Construction to advertise for bids upon completion of final review
- c. Authorize the Executive Committee to award all contracts associated with this project within the authorized total project cost
- d. Appropriate \$2,050,000 from U. T. M.D. Anderson Cancer Center institutional reserve funds for total funding of the first segment of the project. Previous appropriations have been \$350,000 from U. T. M.D. Anderson Cancer Center Account No. 101717 Provision for Remodeling and Upgrading of Facilities.

#### BACKGROUND INFORMATION

In accordance with authorization of the U. T. Board of Regents in June 1988, final plans and specifications for the first segment of the two segment project for Upgrading of Mechanical Systems - Phase II in the U. T. M.D. Anderson Hospital of the U. T. M.D. Anderson Cancer Center have been prepared by the Project Engineer, Burns DeLatte and McCoy, Inc., Houston, Texas.

The first segment of this project encompasses the upgrading of the HVAC, plumbing and electrical services to the first floor of the Center Core area of the main hospital building at an estimated project cost of \$2,400,000. Final plans for the second segment will be submitted to the U. T. Board of Regents for consideration at a future meeting. The estimated total project cost for the combined first and second segments is \$4,700,000.

This project was approved by the Texas Higher Education Coordinating Board in July 1988.

15. U. T. M.D. Anderson Cancer Center - Entrance Fountain: Request for Project Authorization; Appropriation of Gift Funds; Approval to Name the Fountain the "LeRoy Melcher, Jr. Memorial Fountain" (Regents' Rules and Regulations, Part One, Chapter VIII, Section 1.2, Naming of Facilities Other Than Buildings); Submission to Coordinating Board; Completion of Final Plans; Advertisement for Bids; and Authorization for the Executive Committee to Award Construction Contract.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President LeMaistre that the U. T. Board of Regents:

- a. Authorize a project for construction of a fountain at the entrance to the U. T. M.D. Anderson Cancer Center at an estimated total project cost of \$876,000
- b. Appropriate \$876,000 from gift funds for total project funding.  
  
See related Item 36 on Page L&I - 30.
- c. Approve naming the fountain the "LeRoy Melcher, Jr. Memorial Fountain" (Regents' Rules and Regulations, Part One, Chapter VIII, Section 1.2, Naming of Facilities Other Than Buildings)
- d. Authorize submission of the project to the Texas Higher Education Coordinating Board
- e. Authorize the Office of Facilities Planning and Construction to prepare final plans and specifications with their own forces or through contract services as required
- f. Authorize the advertisement for bids, following Coordinating Board approval, and award of a construction contract by the Executive Committee within the authorized total project cost.

This item requires the concurrence of the Health Affairs Committee.

#### BACKGROUND INFORMATION

The U. T. M.D. Anderson Cancer Center is in receipt of a letter from Mr. LeRoy Melcher, Sr., Houston, Texas, who is a member of The University Cancer Foundation Board of Visitors and a prominent businessman, pledging an additional \$750,000 gift. This gift and previous donations in memory of LeRoy Melcher, Jr. (now totalling \$106,000) are to be combined for a single purpose. In addition, there is \$20,000 remaining to be paid on a pledge of \$100,000 made in 1983.

The donor wishes to use these funds for the purpose of constructing a fountain to be located in front of the main entrance to the hospital as a memorial to his son, LeRoy

Melcher, Jr., who was a patient at the U. T. M.D. Anderson Cancer Center. Mr. Melcher has agreed to a conceptual design provided by the Office of Facilities Planning and Construction which will not only greatly enhance the entrance to the U. T. M.D. Anderson Cancer Center but will also provide a place where patients, visitors and staff may relax in a pleasant environment.

The Office of Facilities Planning and Construction will provide plans and specifications for the fountain and, upon approval of the project by the Texas Higher Education Coordinating Board, receive bids and recommend award of a construction contract to the Executive Committee within a total project cost of \$876,000.

16. U. T. Health Science Center - San Antonio - Exhaust and Intake Air Flow System (Project No. 402-675): Request for Authorization of Project; Appointment of Project Architect to Prepare Final Plans; Submission to Coordinating Board; Authorization to Advertise for Bids and for Executive Committee to Award Contracts; and Appropriation Therefor.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President Howe that the U. T. Board of Regents:

- a. Authorize a project for the correction of the exhaust and intake air flow system at the U. T. Health Science Center - San Antonio at an estimated total project cost of \$3,710,695
- b. Appoint the firm of Chumney and Associates, San Antonio, Texas, as Project Architect, to prepare final plans and specifications
- c. Authorize submission of the project to the Texas Higher Education Coordinating Board
- d. Subject to approval by the Coordinating Board, authorize the Office of Facilities Planning and Construction to advertise for bids and the Executive Committee to award all contracts related to this project within the authorized total project cost
- e. Due to the emergency nature of this project, appropriate \$3,710,695 from Permanent University Fund Bond Proceeds for total project funding with the understanding that this amount is an advance commitment from the next update of the Capital Improvement Program. Previous appropriations have been \$75,000 from U. T. Health Science Center - San Antonio Unexpended Plant Funds which will be reimbursed from the funds appropriated herein.

This item requires the concurrence of the Health Affairs and Finance and Audit Committees.

## BACKGROUND INFORMATION

At the October 1987 meeting of the U. T. Board of Regents, authorization was granted for a project analysis to study the exhaust and intake air flow system on the campus of the U. T. Health Science Center - San Antonio. For several months prior to that time, the Administration of the U. T. Health Science Center - San Antonio had been aware of an air crossover problem between some of the rooftop fume hood exhausts and the fresh air intakes. This crossover results in intake of various odors as well as the intake of other forms of air pollutants.

In consultation with the Office of Facilities Planning and Construction, a wind tunnel study, using a scale model of all campus buildings as well as the Medical Center Hospital, has been completed to determine the extent to which such air crossover problems could be prevented under various conditions of wind speeds and directions. Possible solutions have been tested in the wind tunnel studies and now a definitive solution has been proposed by the Consulting Architect, Chumney and Associates, San Antonio, Texas.

In conjunction with the formal project analysis authorized by the U. T. Board of Regents in October 1987, a consultative committee consisting of faculty and staff representatives from several campuses with appropriate credentials in certain engineering and biological areas assisted in the review of the project. This proposed project to correct the crossover problems at the U. T. Health Science Center - San Antonio has the support of this committee.

This project will be included in the updated Capital Improvement Program.

**Land and  
Investment Comm.**

LAND AND INVESTMENT COMMITTEE

Date: February 9, 1989  
Time: Following the meeting of the Buildings and Grounds Committee  
Place: Regents' Meeting Room, Ninth Floor, Ashbel Smith Hall

	<u>Page</u> <u>L&amp;I</u>
I. <u>Permanent University Fund</u>	
<u>Investment Matters</u>	
1. Report on Clearance of Monies to the Permanent University Fund for November and December 1988 and Report on Oil and Gas Development as of December 31, 1988	6
2. Recommendation to Reappoint a Member to the Investment Advisory Committee	7
II. <u>Trust and Special Funds</u>	
<u>Gifts, Bequests and Estates</u>	
U. T. SYSTEM	
1. Recommendation to Accept Gift to Establish the Burton E. and Miriam Grossman Endowment	7
2. Estate of James Weldon Jones - Final Report and Recommendation to Establish the James Weldon Jones Endowment	8
U. T. AUSTIN	
3. Recommendation to Accept Gifts and Pledges to Establish the Blake Alexander Traveling Student Fellowship in Architecture in the School of Architecture and Eligibility for Matching Funds Under The Regents' Endowed Student Fellowship and Scholarship Program	8
4. Recommendation to Accept Gift to Establish the Anne and Steve Ballantyne Endowed Scholarship in Intercollegiate Athletics for Women	9
5. Recommendation to Accept Transfer of Funds to Establish the Ruth Denney Endowed Scholarship in the College of Fine Arts	10

U. T. AUSTIN

6. Recommendation to Accept Gift and Allocate Funds from the College of Engineering Challenge Grant to Establish the Basdall Gardner Memorial Graduate MCD Fellowships in Engineering in the College of Engineering 10
7. Recommendation to Accept Gift to Establish the L. A. "Bunk" Gibbs Scholarship Fund in the College of Liberal Arts 11
8. Recommendation to Accept Gift and Transfer of Funds to Establish the Thomas J. Gibson IV Memorial Scholarship in the College of Fine Arts 11
9. Recommendation to Accept Gifts, Securities, and Corporate Matching Funds to Establish the Todd D. Harris Memorial Classroom Endowment in the College of Engineering 12
10. Recommendation to Accept Gifts and Pledges to Establish the Hayden W. Head Regents Chair for Faculty Excellence in the School of Law and Eligibility for Matching Funds Under The Regents' Endowed Teachers and Scholars Program to Establish the Hayden W. Head Regents Chair in the Plan II Honors Program in the College of Liberal Arts 13
11. Hughes Tool Company Centennial Professorship in Mechanical Engineering in the College of Engineering - Recommendation to Redesignate as the Baker Hughes Incorporated Centennial Professorship 13
12. Johnson & Johnson Centennial Fellowship in Pharmacy (No. 1) and Johnson & Johnson Centennial Fellowship in Pharmacy (No. 2) in the College of Pharmacy - Recommendation to Dissolve the Johnson & Johnson Centennial Fellowship in Pharmacy (No. 1) and the Johnson & Johnson Centennial Fellowship in Pharmacy (No. 2) and Establish the Johnson & Johnson Centennial Professorship in Pharmacy, Accept Transfer of Funds and Eligibility for Matching Funds Under The Regents' Endowed Teachers and Scholars Program 14
13. Mildred Caldwell and Baine Perkins Kerr Centennial Professorship in English History and Culture in the College of Liberal Arts - Recommendation to Accept Additional Gift and Redesignate as the Mildred Caldwell and Baine Perkins Kerr Centennial Chair in English History and Culture and Eligibility for Matching Funds Under The Regents' Endowed Teachers and Scholars Program to Establish a Professorship in the College of Liberal Arts and a Professorship in the College of Natural Sciences 15

U. T. AUSTIN

14. College of Business Administration Foundation Advisory Council Fellowship in the College of Business Administration and the Graduate School of Business - Recommendation to Dissolve and Transfer Fund Balance to the Ronya Kozmetsky Centennial Lectureship for Women in Business 15
15. Unnamed Chair in the Barker Texas History Center - Recommendation to Designate as the J. R. Parten Chair in the Archives of American History 16
16. Recommendation to Accept Gift of Securities to Establish the Philosophy Faculty Fellowship in the College of Liberal Arts and Eligibility for Matching Funds Under The Regents' Endowed Teachers and Scholars Program 17
17. Jewel Popham Raschke Memorial Scholarship for Mathematics Education in the College of Education - Recommendation to Redesignate as the Jewel Popham Raschke Endowed Presidential Scholarship in Mathematics Education 17
18. Recommendation to Accept Gifts and Pledges to Establish the Royston M. Roberts Fellowship in Chemistry in the College of Natural Sciences 18
19. Recommendation to Accept Gifts to Establish the H. Grady Rylander Longhorn Mechanical Engineering Alumni Club Excellence in Teaching Fellowship Endowment in the College of Engineering 18
20. Recommendation to Accept Transfer of Funds to Establish the Robert S. Strauss Endowed Presidential Scholarship in Law in the School of Law 19
21. Recommendation to Accept Gifts to Establish the Vista Chemical Company Regents Endowed Memorial Lectureship in Organic Chemistry in the College of Natural Sciences and Eligibility for Matching Funds Under The Regents' Endowed Teachers and Scholars Program 20
22. Recommendation to Accept Gift of Real Property Located in Austin, Travis County, Texas (NO PUBLICITY) 20

U. T. DALLAS

23. Recommendation to Accept Grant to Establish The Bruton Center for Development Studies in the School of Social Sciences 21

U. T. DALLAS

24. Recommendation to Accept Gift and Pledge to Establish the Caruth Chair in the School of Management and Eligibility for Matching Funds Under the Texas Eminent Scholars Program 22

U. T. SOUTHWESTERN MEDICAL CENTER - DALLAS

25. Fourteen Endowed Academic Positions - Eligibility for Matching Funds Under the Texas Eminent Scholars Program 22

26. Recommendation to Accept Pledges to Establish the Annette Simmons Distinguished Chair in Breast Cancer Research and Eligibility for Matching Funds Under the Texas Eminent Scholars Program 23

27. Recommendation to Accept Pledges to Establish Four Distinguished Chairs and Eligibility for Matching Funds Under the Texas Eminent Scholars Program 24

U. T. MEDICAL BRANCH - GALVESTON

28. Recommendation to Accept Gifts to Establish The Edward J. and Ellie Weisiger Lefeber, Sr. Prize in Geriatric Medicine and Gerontology 25

29. Recommendation to Accept Additional Grants from The Sealy & Smith Foundation for the John Sealy Hospital to Fund Construction of a New Emergency Department and Trauma Center Facility 26

30. Recommendation to Accept Bequest from the Estate of Dorothy Kuhlman Theisinger and Transfer of Funds to Establish the Dorothy Kuhlman Theisinger Endowment for Research in Ophthalmology 26

U. T. HEALTH SCIENCE CENTER - HOUSTON

31. Recommendation to Accept Gifts to Establish The Hardin-Parents Organization Scholarship 27

U. T. M.D. ANDERSON CANCER CENTER

32. Recommendation to Accept Gift and Transfer of Funds to Establish the Vara Daniel Cancer Child Life Program 27

33. Recommendation to Accept Remainder Interests in the Sam F. Davis Annuity Trusts of 1980, 1983 and 1984 28

U. T. M.D. ANDERSON CANCER CENTER

34. Estate of Lessley S. Keese - Final Report and Recommendation to Use Bequest in Support of Various Institutional Programs 29
35. Estate of Ellen F. Knisely - Final Report and Recommendation to Accept Transfer of Funds and Establish the Ellen F. Knisely Chair in Colon Cancer Research 29
36. Recommendation to Accept Gift and Transfer of Funds for Construction of the LeRoy Melcher, Jr. Memorial Fountain 30
37. Recommendation to Accept Bequest From the Estate of John R. Willis, Hidalgo, Texas 30

III. Other Matters

U. T. BOARD OF REGENTS

- Proposed Amendments to Regents' Rules and Regulations, Part Two, Chapter IX, Section 1.2 (Authority to Assign and Transfer Securities Owned by the PUF and the Board) and Section 1.4 (Authority to Receive and Collect Money and/or Property) 31

I. PERMANENT UNIVERSITY FUND

Investment Matters

1. Report on Clearance of Monies to the Permanent University Fund for November and December 1988 and Report on Oil and Gas Development as of December 31, 1988.--The following reports with respect to (a) certain monies cleared to the Permanent University Fund for November and December 1988 and (b) Oil and Gas Development as of December 31, 1988, are submitted by the Executive Vice Chancellor for Asset Management:

	<u>November 1988</u>	<u>December 1988</u>	<u>Cumulative Through December of This Fiscal Year (1988-1989)</u>	<u>Cumulative Through December of Preceding Fiscal Year (1987-1988)</u>	<u>Per Cent Change</u>
Permanent University Fund					
Royalty					
Oil	\$ 3,232,192.55	\$ 3,513,156.30	\$13,780,738.50	\$19,758,044.01	-30.25%
Gas	1,796,990.38	1,707,818.60	6,389,050.16	7,877,672.24	-18.90%
Sulphur	0.00	86,926.50	86,926.50	40,091.65	116.82%
Water	46,724.00	46,453.83	254,578.30	239,365.62	6.36%
Brine	1,334.52	1,428.77	9,712.54	17,226.07	-43.62%
Trace Minerals	0.00	0.00	0.00	0.00	--
Rental					
Oil and Gas Leases	24,137.53	71,041.71	609,402.35	360,498.58	69.04%
Other	500.00	200.00	2,120.00	500.00	324.00%
Sale of Sand, Gravel, Etc.	0.00	0.00	34,887.45	2,787.30	--
Total University Lands Receipts Before Bonuses	<u>5,101,878.98</u>	<u>5,427,025.71</u>	<u>21,167,415.80</u>	<u>28,296,185.47</u>	<u>-25.19%</u>
Bonuses					
Oil and Gas Lease Sales	2,554,807.73	0.00	2,554,807.73	1,524,896.64	--
Amendments and Extensions to Mineral Leases	<u>641.11</u>	<u>0.00</u>	<u>641.11</u>	<u>0.00</u>	<u>--</u>
Total University Lands Receipts	<u>7,657,327.82</u>	<u>5,427,025.71</u>	<u>23,722,864.64</u>	<u>29,821,082.11</u>	<u>-20.45%</u>
Gain or (Loss) on Sale of Securities	<u>\$17,222,530.97</u>	<u>\$26,561,816.08</u>	<u>\$64,488,103.16</u>	<u>\$31,094,209.67</u>	<u>107.40%</u>
TOTAL CLEARANCES	<u>\$24,879,858.79</u>	<u>\$31,988,841.79</u>	<u>\$88,210,967.80</u>	<u>\$60,915,291.78</u>	<u>44.81%</u>

Oil and Gas Development - December 31, 1988

Acreage Under Lease - 70,729

Number of Producing Acres - 549,104

Number of Producing Leases - 2,198

2. Permanent University Fund: Recommendation to Reappoint a Member to the Investment Advisory Committee.--

RECOMMENDATION

The Chancellor concurs with the recommendation of the Executive Vice Chancellor for Asset Management that the U. T. Board of Regents approve the reappointment of Mr. Jack T. Trotter, Houston, Texas, to the Investment Advisory Committee for the Permanent University Fund for a second term. The appointment is for a three-year term to expire August 31, 1991.

BACKGROUND INFORMATION

Mr. Jack T. Trotter currently maintains a private office in Houston for personal investments. He holds certificates as a Certified Public Accountant in the State of Texas and as an attorney-at-law in the State of Texas and the District of Columbia. He holds directorships in the following: Electrosource, Inc., First Interstate Bancorp of Texas, Inc., First Interstate Bank of Texas, N.A., Houston Industries, Inc., Houston Lighting & Power Company, Howell Corporation, Weingarten Realty, Inc., and Zapata Corporation, all in Houston, Texas. With approval of this recommended appointment, the Investment Advisory Committee members and terms would be as follows:

	<u>Term Expires</u>
Edward Randall III	8/31/89
John T. Stuart III	8/31/89
E. L. Wehner	8/31/90
Michael J. C. Roth	8/31/90
Jack T. Trotter	8/31/91
Unfilled	8/31/91

II. TRUST AND SPECIAL FUNDS

Gifts, Bequests and Estates

1. U. T. System: Recommendation to Accept Gift to Establish the Burton E. and Miriam Grossman Endowment.--

RECOMMENDATION

The Chancellor recommends the acceptance of a \$15,000 gift from Dr. Burton E. Grossman, Tampico, Tamaulipas, Mexico, to establish the Burton E. and Miriam Grossman Endowment for the benefit of the U. T. System. Income distributed from the endowment will be for the unrestricted use of the Chancellor.

## BACKGROUND INFORMATION

Dr. and Mrs. Grossman are members of The Chancellor's Council, and Dr. Grossman serves on the Executive Committee. He has long supported the U. T. System and several component institutions. Dr. Grossman is President of Grupo Continental, S. A. in Tampico, Tamaulipas, Mexico.

2. U. T. System: Estate of James Weldon Jones - Final Report and Recommendation to Establish the James Weldon Jones Endowment.--

## RECOMMENDATION

The Chancellor reports that the final distribution from the Estate of James Weldon Jones has been received for a total bequest of \$152,092.09 and recommends that the bequest be used to establish the James Weldon Jones Endowment at the U. T. System. Income will be designated for the unrestricted use of the Chancellor.

## BACKGROUND INFORMATION

Mr. Jones's Estate was accepted at the October 1983 meeting of the U. T. Board of Regents. He received his M.B.A. from U. T. Austin in 1922 and was a retired member of the U. S. Tariff Commission.

3. U. T. Austin: Recommendation to Accept Gifts and Pledges to Establish the Blake Alexander Traveling Student Fellowship in Architecture in the School of Architecture and Eligibility for Matching Funds Under The Regents' Endowed Student Fellowship and Scholarship Program.--

## RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Cunningham that \$14,555 in gifts and \$10,445 in pledges from various donors for a total of \$25,000 be accepted to establish an endowment in the School of Architecture at U. T. Austin to be named the Blake Alexander Traveling Student Fellowship in Architecture.

Income earned from the endowment will be used to support an annual travel award for a student from a School of Architecture First Professional Degree Program in the last year of the Program, who has demonstrated high academic achievement.

It is further recommended that \$12,500 in matching funds be allocated under The Regents' Endowed Student Fellowship and Scholarship Program and used to increase the endowment to a total of \$37,500.

## BACKGROUND INFORMATION

This endowment is being funded in honor of Professor Drury Blakeley Alexander, who has been with the School of Architecture since 1955. Professor Alexander received his B.Arch. in 1950 and his B.S. in Art in 1951 from U. T. Austin.

In April 1988, the U. T. Board of Regents took action to consolidate some endowed academic position titles and eliminated endowments of less than \$50,000 from the list of endowed academic positions titles (Regents' Rules and Regulations, Part Two, Chapter I, Section 3.4). Establishment of endowments of less than \$50,000 for "scholarships" and "other educational activities" is still permissible under the Regents' Rules and Regulations (Part Two, Chapter I, Section 1.32) even though not specifically included in the titles list carrying minimum funding requirements.

4. U. T. Austin: Recommendation to Accept Gift to Establish the Anne and Steve Ballantyne Endowed Scholarship in Intercollegiate Athletics for Women.--

## RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Cunningham that a \$10,125 gift from Mr. and Mrs. Stephen P. Ballantyne, San Antonio, Texas, be accepted to establish the Anne and Steve Ballantyne Endowed Scholarship in Intercollegiate Athletics for Women at U. T. Austin.

Income earned from the endowment will be used to award annually a scholarship to a female athlete majoring in business administration who has completed her athletic eligibility but requires financial assistance to complete her baccalaureate degree. In any year in which there are no business administration majors among fifth year student athletes or in the case of exceptional need, the scholarship may be awarded to an athlete in another major.

## BACKGROUND INFORMATION

Mr. Ballantyne received his B.A. in 1972 and his M.B.A. in 1974 from U. T. Austin. He is President of Ballantyne Oil and Gas Company in San Antonio, Texas. Mrs. Ballantyne received her B.B.A. in 1972 and her M.B.A. in 1974 from U. T. Austin. They are both members of The Chancellor's Council.

5. U. T. Austin: Recommendation to Accept Transfer of Funds to Establish the Ruth Denney Endowed Scholarship in the College of Fine Arts.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Cunningham that a \$10,065 transfer of previously reported gifts from current restricted funds be accepted to establish the Ruth Denney Endowed Scholarship in the Department of Drama, College of Fine Arts, at U. T. Austin.

Income earned from the endowment will be used for scholarship support of students in the Department of Drama.

BACKGROUND INFORMATION

Various donors are funding this endowment to honor Ruth Denney, Professor Emeritus of the Department of Drama. Mrs. Denney resides in Austin and has been a Professor in the Department of Drama at U. T. Austin since 1976.

6. U. T. Austin: Recommendation to Accept Gift and Allocate Funds from the College of Engineering Challenge Grant to Establish the Basdall Gardner Memorial Graduate MCD Fellowships in Engineering in the College of Engineering.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Cunningham that a gift of \$100,000 from Mrs. Gradys Gardner, Alvarado, Texas, be accepted to establish an endowment in the College of Engineering at U. T. Austin to be named the Basdall Gardner Memorial Graduate MCD Fellowships in Engineering (MCD is an acronym for Microelectronics and Computer Development).

It is further recommended that \$144,000 be allocated from the College of Engineering Challenge Grant received from an anonymous donor and used to increase the endowment to a total of \$244,000.

Income earned from the endowment will be used to award fellowships to graduate students in the College of Engineering.

BACKGROUND INFORMATION

Mrs. Gardner is funding this endowment in memory of her husband, Basdall Gardner. Mr. Gardner attended U. T. Austin in 1927 and was President of Austin Radio Company of Austin.

This endowment is being established under the College of Engineering Challenge for Excellence Program as set out in the Minutes of the June 1988 meeting of the U. T. Board of Regents whereby a challenge grant of \$4,500,000 was accepted from an anonymous donor to enhance and achieve a high level of excellence in the four areas of advanced research and teaching which relate closely to the mission of SEMATECH and Microelectronics and Computer Technology Corporation (MCC).

7. U. T. Austin: Recommendation to Accept Gift to Establish the L. A. "Bunk" Gibbs Scholarship Fund in the College of Liberal Arts.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Cunningham that a \$10,000 gift from Mrs. Pauline G. Zoeller, Austin, Texas, be accepted to establish the L. A. "Bunk" Gibbs Scholarship Fund in the College of Liberal Arts at U. T. Austin.

Income earned from the endowment will be used to award scholarships to students in the College of Liberal Arts and shall be administered by the College of Liberal Arts Scholarship Committee.

#### BACKGROUND INFORMATION

Mrs. Zoeller is funding this endowment in memory of her father, Mr. L. A. "Bunk" Gibbs. Mr. Gibbs showed great interest in the education of Texas' youth through personal efforts and as a Trustee of the Burnet, Texas, School Board. Mrs. Zoeller received her B.A. in 1973 from U. T. Austin.

8. U. T. Austin: Recommendation to Accept Gift and Transfer of Funds to Establish the Thomas J. Gibson IV Memorial Scholarship in the College of Fine Arts.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Cunningham that a \$7,700 gift from Mrs. Margaret Gibson, Quitman, Texas, and a \$2,300 transfer of previously reported gifts from current restricted funds for a total of \$10,000 be accepted to establish the Thomas J. Gibson IV Memorial Scholarship in the Department of Music, College of Fine Arts, at U. T. Austin.

Income earned from the endowment will be used to provide scholarship support for String students in the Department of Music.

### BACKGROUND INFORMATION

Mrs. Gibson is funding this endowment in memory of her son, Thomas J. Gibson IV, who studied violin at U. T. Austin and received a B.M. in 1971.

9. U. T. Austin: Recommendation to Accept Gifts, Securities, and Corporate Matching Funds to Establish the Todd D. Harris Memorial Classroom Endowment in the College of Engineering.--

### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Cunningham that a gift of United Cable T. V. Corporation common stock valued at \$5,019.44 from Mr. and Mrs. Ronald D. Harris, Lake Forest, Illinois, \$5,000 in corporate matching funds from the Kraft Foundation, Glenview, Illinois, and \$6,000 in gifts from various donors for a total of \$16,019.44 be accepted to establish the Todd D. Harris Memorial Classroom Endowment in the College of Engineering at U. T. Austin.

Income earned from the endowment will be used to provide professional development opportunities for faculty members in the Department of Mechanical Engineering, particularly those early in their careers.

### BACKGROUND INFORMATION

Mr. and Mrs. Harris are funding this endowment in memory of their son, Todd D. Harris. Todd received his B.S.M.E. in 1987 from U. T. Austin. Mr. Ronald D. Harris is a Vice President of Kraft, Inc.

This gift is part of a special private fund development campaign for the College of Engineering in accordance with Part One, Chapter VII, Section 2, Subsection 2.44 of the Regents' Rules and Regulations.

See Item 2 on Page AAC - 3 related to naming a room in the Engineering Teaching Center Building at U. T. Austin.

10. U. T. Austin: Recommendation to Accept Gifts and Pledges to Establish the Hayden W. Head Regents Chair for Faculty Excellence in the School of Law and Eligibility for Matching Funds Under The Regents' Endowed Teachers and Scholars Program to Establish the Hayden W. Head Regents Chair in the Plan II Honors Program in the College of Liberal Arts.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Cunningham that gifts of \$374,448 and pledges of \$521,775 for a total of \$896,223 from various donors be accepted to establish the Hayden W. Head Regents Chair for Faculty Excellence in the School of Law at U. T. Austin.

It is further recommended that the \$896,223 in gifts and pledges as received be matched under The Regents' Endowed Teachers and Scholars Program and used to establish the Hayden W. Head Regents Chair in the Plan II Honors Program in the College of Liberal Arts.

#### BACKGROUND INFORMATION

These two endowments are being funded in memory of Mr. Hayden Wilson Head, former Corpus Christi attorney and businessman, who was a great friend of U. T. Austin for over 50 years. Mr. Head dedicated his time and efforts not only to the betterment of his alma mater, The University of Texas School of Law, but to the University as a whole. He served on the Development Board for 18 years and, as its chairman, helped raise private gifts culminating in 32 one million dollar chairs in science and engineering. As a member of the Centennial Commission, he helped outline the course of academic progress to ensure the educational development of generations of university students to come. For these and other efforts, Mr. Head was presented a Presidential Citation in April 1987.

11. U. T. Austin: Hughes Tool Company Centennial Professorship in Mechanical Engineering in the College of Engineering - Recommendation to Redesignate as the Baker Hughes Incorporated Centennial Professorship.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Cunningham that the Hughes Tool Company Centennial Professorship in Mechanical Engineering in the College of Engineering be redesignated as the Baker Hughes Incorporated Centennial Professorship at U. T. Austin.

This recommendation is being made in accordance with the donor's request.

## BACKGROUND INFORMATION

The Hughes Tool Company Centennial Professorship in Mechanical Engineering was established at the April 1982 meeting of the U. T. Board of Regents with a \$25,000 gift and a \$75,000 pledge from Hughes Tool Company, Houston, Texas. The gift and pledge were matched under The Centennial Teachers and Scholars Program and used to increase the endowment. In 1987, Hughes Tool Company merged with Baker International to form Baker Hughes Incorporated.

12. U. T. Austin: Johnson & Johnson Centennial Fellowship in Pharmacy (No. 1) and Johnson & Johnson Centennial Fellowship in Pharmacy (No. 2) in the College of Pharmacy - Recommendation to Dissolve the Johnson & Johnson Centennial Fellowship in Pharmacy (No. 1) and the Johnson & Johnson Centennial Fellowship in Pharmacy (No. 2) and Establish the Johnson & Johnson Centennial Professorship in Pharmacy, Accept Transfer of Funds and Eligibility for Matching Funds Under The Regents' Endowed Teachers and Scholars Program.--

## RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Cunningham that the Johnson & Johnson Centennial Fellowship in Pharmacy (No. 1) and the Johnson & Johnson Centennial Fellowship in Pharmacy (No. 2) be dissolved and the funding of \$50,000 for each Fellowship combined to establish the Johnson & Johnson Centennial Professorship in Pharmacy in the College of Pharmacy at U. T. Austin.

It is further recommended that a \$50,000 transfer of previously reported gifts from current restricted funds be accepted for addition to this endowment and that \$25,000 of the transfer be matched under The Regents' Endowed Teachers and Scholars Program and used to increase the endowment to a total of \$175,000.

Income earned from the endowment will be used to support the activities and research of the holder of the Professorship.

## BACKGROUND INFORMATION

At the June 1983 U. T. Board of Regents' meeting, the Johnson & Johnson Centennial Fellowship in Pharmacy (No. 1) in the College of Pharmacy was established with \$50,000 from The Centennial Teachers and Scholars Program, prompted by gifts from the Pharmaceutical Foundation Advisory Council. At the August 1983 meeting, the Johnson & Johnson Centennial Fellowship in Pharmacy (No. 2) was established with \$50,000 from The Centennial Teachers and Scholars Program, prompted by a gift from Johnson & Johnson Products, Inc., New Brunswick, New Jersey. Dean James T. Doluisio of the College of Pharmacy, with agreement of Johnson & Johnson, has determined that the needs of the College would best be served by combining these two Fellowships to create the Johnson & Johnson Centennial Professorship in Pharmacy.

13. U. T. Austin: Mildred Caldwell and Baine Perkins Kerr Centennial Professorship in English History and Culture in the College of Liberal Arts - Recommendation to Accept Additional Gift and Redesignate as the Mildred Caldwell and Baine Perkins Kerr Centennial Chair in English History and Culture and Eligibility for Matching Funds Under The Regents' Endowed Teachers and Scholars Program to Establish a Professorship in the College of Liberal Arts and a Professorship in the College of Natural Sciences.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Cunningham that a gift of Battle Mountain Gold Company common stock valued at \$433,687.50 from Mr. and Mrs. Baine P. Kerr, Houston, Texas, be accepted for addition to the Mildred Caldwell and Baine Perkins Kerr Centennial Professorship in English History and Culture in the College of Liberal Arts. The Professorship is to be redesignated as the Mildred Caldwell and Baine Perkins Kerr Centennial Chair in English History and Culture at U. T. Austin.

It is further recommended that \$200,000 in matching funds be allocated under The Regents' Endowed Teachers and Scholars Program and used to establish a \$100,000 professorship in the College of Liberal Arts and a \$100,000 professorship in the College of Natural Sciences. Specific names and designations for these endowments will be submitted at a later date.

#### BACKGROUND INFORMATION

The Mildred Caldwell and Baine Perkins Kerr Centennial Professorship in English History and Culture was established at the February 1982 meeting of the U. T. Board of Regents with a gift of securities valued at \$54,106 and a \$45,894 pledge from Mr. and Mrs. Kerr. Mr. Kerr, Chairman of the Executive Committee and Director of Pennzoil Company, received his LL.B. from U. T. Austin in 1942. Mrs. Kerr received her B.S. in Secondary Education from U. T. Austin in 1942. The Kerrs are active in U. T. Austin organizations and are members of The Chancellor's Council.

14. U. T. Austin: College of Business Administration Foundation Advisory Council Fellowship in the College of Business Administration and the Graduate School of Business - Recommendation to Dissolve and Transfer Fund Balance to the Ronya Kozmetsky Centennial Lectureship for Women in Business.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Cunningham that the College of Business Administration Foundation Advisory Council Fellowship be dissolved and the fund balance of \$10,792 be transferred to the Ronya Kozmetsky Centennial

Lectureship for Women in Business in the College of Business Administration and the Graduate School of Business at U. T. Austin.

#### BACKGROUND INFORMATION

The College of Business Administration Foundation Advisory Council Fellowship was established at the August 1984 meeting of the U. T. Board of Regents with matching funds under The Regents' Endowed Teachers and Scholars Program committed on the basis of pledge payments to the George Kozmetsky Centennial Chair. A number of the pledges were not fulfilled, leaving the Fellowship below the required \$50,000 funding level, with no anticipation for further funding.

15. U. T. Austin: Unnamed Chair in the Barker Texas History Center - Recommendation to Designate as the J. R. Parten Chair in the Archives of American History.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Cunningham that the unnamed chair in the Barker Texas History Center at U. T. Austin be designated as the J. R. Parten Chair in the Archives of American History.

This recommendation is being made by the executive officers of the Barker Texas History Center in concurrence with the donor's request.

#### BACKGROUND INFORMATION

A chair was established in the Barker Texas History Center at the December 1988 meeting of the U. T. Board of Regents with a \$500,000 gift from Mr. J. R. Parten, Houston, Texas, with the title to be designated at a later date. The gift qualified for matching funds under The Regents' Endowed Teachers and Scholars Program and those funds of \$250,000 were used to increase the endowment. Mr. J. R. Parten attended U. T. Austin from 1913 to 1917. He is Chairman of Parten Oil in Houston, Texas, a former Chairman of the U. T. Board of Regents and a Life Member of The President's Associates.

16. U. T. Austin: Recommendation to Accept Gift of Securities to Establish the Philosophy Faculty Fellowship in the College of Liberal Arts and Eligibility for Matching Funds Under The Regents' Endowed Teachers and Scholars Program.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Cunningham that a gift of MNC Financial, Inc. common stock valued at \$100,309.12 from an anonymous donor be accepted to establish the Philosophy Faculty Fellowship in the College of Liberal Arts at U. T. Austin.

Income earned from the endowment will be used to support untenured, but tenure-track, members of the Department of Philosophy faculty, with the purpose of enabling the recipient to fully engage in scholarly work. Preference in the recipient selection shall be given to faculty members in their second or third year of teaching at U. T. Austin.

It is further recommended that \$50,000 in matching funds be allocated under The Regents' Endowed Teachers and Scholars Program and used to increase the endowment to a total of approximately \$150,309.12.

17. U. T. Austin: Jewel Popham Raschke Memorial Scholarship for Mathematics Education in the College of Education - Recommendation to Redesignate as the Jewel Popham Raschke Endowed Presidential Scholarship in Mathematics Education.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Cunningham that the Jewel Popham Raschke Memorial Scholarship for Mathematics Education in the College of Education be redesignated as the Jewel Popham Raschke Endowed Presidential Scholarship in Mathematics Education at U. T. Austin.

This recommendation is being made in accordance with the donor's request.

#### BACKGROUND INFORMATION

The Jewel Popham Raschke Memorial Scholarship for Mathematics Education in the College of Education was established at the February 1986 meeting of the U. T. Board of Regents with \$25,710 in gifts from various donors in memory of Mrs. Jewel P. Raschke who received her B.A. in 1939 and M.A. in 1942 from U. T. Austin. At the February 1988 meeting, additional gifts totalling \$19,800 and the allocation of \$9,900 in matching funds under The Regents' Endowed Student Fellowship and Scholarship Program were approved for a total endowment of \$55,410.

18. U. T. Austin: Recommendation to Accept Gifts and Pledges to Establish the Royston M. Roberts Fellowship in Chemistry in the College of Natural Sciences.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Cunningham that gifts of \$8,800 and pledges of \$16,200 from various donors for a total of \$25,000 be accepted to establish an endowment in the Department of Chemistry, College of Natural Sciences, at U. T. Austin to be named the Royston M. Roberts Fellowship in Chemistry.

Income earned from the endowment will be used to support deserving graduate and undergraduate students in the Department of Chemistry.

#### BACKGROUND INFORMATION

This endowment is being funded to honor Dr. Royston M. Roberts who joined the U. T. Austin faculty as an assistant professor in 1947. He rose to the rank of professor in 1961 and became Professor Emeritus in the Department of Chemistry in 1988.

In April 1988, the U. T. Board of Regents took action to consolidate some endowed academic position titles and eliminated endowments of less than \$50,000 from the list of endowed academic positions titles (Regents' Rules and Regulations, Part Two, Chapter I, Section 3.4). Establishment of endowments of less than \$50,000 for "scholarships" and "other educational activities" is still permissible under the Regents' Rules and Regulations (Part Two, Chapter I, Section 1.32) even though not specifically included in the titles list carrying minimum funding requirements.

19. U. T. Austin: Recommendation to Accept Gifts to Establish the H. Grady Rylander Longhorn Mechanical Engineering Alumni Club Excellence in Teaching Fellowship Endowment in the College of Engineering.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Cunningham that \$14,996 in gifts from various donors be accepted to establish an endowment in the Department of Mechanical Engineering, College of Engineering, at U. T. Austin to be named the H. Grady Rylander Longhorn Mechanical Engineering Alumni Club Excellence in Teaching Fellowship Endowment.

Income earned from the endowment will be used to award a fellowship to a graduate student in the Department of Mechanical Engineering who excels as a leader and effective communicator in classroom teaching.

## BACKGROUND INFORMATION

Dr. H. Grady Rylander received his B.S.M.E. in 1943 and his M.S.M.E. in 1952 from U. T. Austin. He is the Joe J. King Professor of Mechanical Engineering at U. T. Austin and served as Chairman of the Department of Mechanical Engineering from 1976 to 1986. Friends and colleagues of Dr. Rylander are funding this endowment in his honor.

In April 1988, the U. T. Board of Regents took action to consolidate some endowed academic position titles and eliminated endowments of less than \$50,000 from the list of endowed academic positions titles (Regents' Rules and Regulations, Part Two, Chapter I, Section 3.4). Establishment of endowments of less than \$50,000 for "scholarships" and "other educational activities" is still permissible under the Regents' Rules and Regulations (Part Two, Chapter I, Section 1.32) even though not specifically included in the titles list carrying minimum funding requirements.

20. U. T. Austin: Recommendation to Accept Transfer of Funds to Establish the Robert S. Strauss Endowed Presidential Scholarship in Law in the School of Law.--

## RECOMMENDATION

The University of Texas Law School Foundation (an external foundation) has expressed the desire that the Robert S. Strauss Endowed Presidential Scholarship in Law be established in the School of Law at U. T. Austin. The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Cunningham that a \$140,000 transfer of previously reported gifts from current restricted funds be accepted and that the endowment be established in accordance with the Regents' Rules and Regulations. Funds in the amount of \$280,000 will be held and administered by The University of Texas Law School Foundation and \$140,000 will be held and administered by the U. T. Board of Regents. Income earned from the endowment will be used to award scholarships at the discretion of the Dean of the Law School to students, based on need and merit, with preference given to students considering a career in public service and/or private or public international law.

## BACKGROUND INFORMATION

The University of Texas Law School Foundation has reported receiving a \$70,000 gift and a \$210,000 pledge from the law firm of Akin, Gump, Strauss, Hauer and Feld, Dallas, Texas, in honor of Mr. Robert S. Strauss, a partner in the law firm. Mr. Strauss, who resides in Dallas, holds the Lloyd M. Bentsen Chair in Government/Business Relations in the LBJ School of Public Affairs. He received his LL.B. in 1941 from U. T. Austin.

21. U. T. Austin: Recommendation to Accept Gifts to Establish the Vista Chemical Company Regents Endowed Memorial Lectureship in Organic Chemistry in the College of Natural Sciences and Eligibility for Matching Funds Under The Regents' Endowed Teachers and Scholars Program.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Cunningham that a \$15,000 gift from Vista Chemical Company, Houston, Texas, and an \$18,334 gift from an anonymous donor for a total of \$33,334 be accepted to establish the Vista Chemical Company Regents Endowed Memorial Lectureship in Organic Chemistry in the Department of Chemistry, College of Natural Sciences, at U. T. Austin.

Income earned from the endowment will be used to support the Lectureship.

It is further recommended that \$16,666 in matching funds be allocated under The Regents' Endowed Teachers and Scholars Program and used to increase the endowment to a total of \$50,000.

#### BACKGROUND INFORMATION

The donors wish to dedicate this Lectureship to the memories of James Robinson Bailey, Henry Rudolph Henze, and Harry Louis Lochte, former U. T. Austin professors who were instrumental in developing the organic chemistry discipline in the Department of Chemistry. Dr. Bailey received a B.A. in Chemistry from U. T. Austin in 1891. Dr. Lochte received his B.A. in 1918 from U. T. Austin.

In April 1988, the U. T. Board of Regents took action to consolidate some endowed academic position titles and eliminated endowments of less than \$50,000 from the list of endowed academic positions titles (Regents' Rules and Regulations, Part Two, Chapter I, Section 3.4). This gift was initiated prior to the above U. T. Board of Regents' action which increased the funding level for endowed fellowships and lectureships.

22. U. T. Austin: Recommendation to Accept Gift of Real Property Located in Austin, Travis County, Texas (NO PUBLICITY).--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Cunningham to accept a gift of real property located at 3115 Tom Green Street, Unit #403, Austin, Travis County, Texas, together with an undivided interest in and to the common elements

appurtenant thereto for the benefit of the College of Engineering at U. T. Austin. The appraised value of this property is \$68,000. The College of Engineering is prepared to pay the Homeowner's Association fees of approximately \$163 per month until the property is sold.

#### BACKGROUND INFORMATION

The donor has requested that income derived from either the lease of the property or its sale, after carrying costs are reimbursed to the College of Engineering, be applied to that donor's commitment of \$4.5 million to the College of Engineering which was accepted by the U. T. Board of Regents at its meeting in June 1988. That commitment was accepted as a challenge for the University to provide another \$9 million, for a total of \$13.5 million, to endow student and faculty positions in the areas of manufacturing systems engineering, microelectronics, computer engineering and materials science and engineering.

#### NO PUBLICITY.

23. U. T. Dallas: Recommendation to Accept Grant to Establish The Bruton Center for Development Studies in the School of Social Sciences.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Rutford that a \$300,000 grant, payable \$100,000 annually in 1989, 1990 and 1991, from The David Bruton, Jr. Charitable Trust, Dallas, Texas, be accepted to establish The Bruton Center for Development Studies in the School of Social Sciences at U. T. Dallas. This new research center will focus on social science concerns that affect Dallas and other urban areas, including population, transportation, economic stability and leadership.

#### BACKGROUND INFORMATION

Mr. David Bruton, Jr., a resident of Lewisville, Texas, died on December 30, 1979. A charitable trust indenture executed by the late Mr. Bruton allows discretionary bequests to eight charitable donees, including four component institutions of the U. T. System (U. T. Austin, U. T. Dallas, U. T. Southwestern Medical Center - Dallas, and the U. T. M.D. Anderson Cancer Center). Various endowment funds have already been established at these component institutions in accordance with that trust indenture.

This grant was made in accordance with a proposal submitted by U. T. Dallas to fund the Center with the understanding that in-kind support of \$600,000 would be provided over a three-year period.

See Item 5 on Page AAC - 6 related to the proposed naming of the research center.

24. U. T. Dallas: Recommendation to Accept Gift and Pledge to Establish the Caruth Chair in the School of Management and Eligibility for Matching Funds Under the Texas Eminent Scholars Program.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and President Rutford that a \$50,000 gift and a \$450,000 pledge, payable in equal installments of \$150,000 in 1989, 1990 and 1991, for a total of \$500,000 from The Hillcrest Foundation, Dallas, Texas, be accepted to establish the Caruth Chair in the School of Management at U. T. Dallas.

It is further recommended that the actual income which will be earned on the \$50,000 gift and \$450,000 pledge, as received, be certified to the appropriate State authorities for matching under the Texas Eminent Scholars Program as set out in Chapter 51, Subchapter I of the Texas Education Code, when matching funds are made available under that act.

BACKGROUND INFORMATION

The Hillcrest Foundation was founded by Mrs. W. W. Caruth, Sr. of Dallas, Texas, to relieve poverty, advance education and promote health in Texas. The Foundation was one of the first contributors to the Graduate Research Center of the Southwest, U. T. Dallas' predecessor organization. The Chair is being established by the Foundation in recognition of the significant business leadership provided by the Caruth family in the development of Dallas.

25. U. T. Southwestern Medical Center - Dallas: Fourteen Endowed Academic Positions - Eligibility for Matching Funds Under the Texas Eminent Scholars Program.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President Wildenthal that the actual income which will be earned on previously reported gifts from various donors to fourteen endowed academic positions at the U. T. Southwestern Medical Center - Dallas be certified to the appropriate State authorities for matching under the Texas Eminent Scholars Program as set out in Chapter 51, Subchapter I of the Texas Education Code, when matching funds are made available under that act. The previously reported gifts and endowed academic positions are as follows:

- a. The Senator Betty and Dr. Andy Andujar Chair in Pathology - \$390,247.50
- b. Dr. Charles T. Ashworth Professorship in Pathology - \$895.00

- c. Distinguished Chair in Human Nutrition - \$500,000.00
- d. Gail Griffiths Hill Professorship in Cardiology - \$166,000.00
- e. S. Roger and Carolyn P. Horchow Professorship in Cardiac Research, in Honor of Jere H. Mitchell, M.D. - \$80,000
- f. Robert W. Lackey Professorship in Physiology - \$20,715.47
- g. The Berta M. and Cecil O. Patterson Professorship for Research in Digestive Diseases - \$146,971.24
- h. The Dr. Paul Peters Chair in Urology in Memory of Rumsey and Louis Strickland - \$51,225.00
- i. Frank M. Ryburn, Jr., Distinguished Chair in Cardiothoracic Surgery and Transplantation - \$400,000.00
- j. Donald W. Seldin Distinguished Chair in Internal Medicine - \$416,690.00
- k. Stanton Sharp Distinguished Chair in Psychiatry - \$100,000.00
- l. Southland Financial Corporation Distinguished Chair in Geriatrics - \$250.00
- m. The Robert V. Walker D.D.S. Distinguished Professorship in Oral Surgery - \$33,740.00
- n. Raymond and Ellen Willie Distinguished Chair in Molecular Neuropharmacology - \$200,000.00.

#### BACKGROUND INFORMATION

All of the above endowments have been certified initially for matching under the Texas Eminent Scholars Program.

- 26. U. T. Southwestern Medical Center - Dallas: Recommendation to Accept Pledges to Establish the Annette Simmons Distinguished Chair in Breast Cancer Research and Eligibility for Matching Funds Under the Texas Eminent Scholars Program.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President Wildenthal that a \$500,000 pledge from the Susan G. Komen Foundation, Dallas, Texas, a \$400,000 pledge from an anonymous donor, a \$50,000 pledge from Mr. Cecil Green, Dallas, Texas, and a \$50,000 pledge from the Southwestern Medical Foundation,

Dallas, Texas (to be held in trust at the Southwestern Medical Foundation), with all pledges payable by August 31, 1991, for a total of \$1,000,000 be accepted to establish the Annette Simmons Distinguished Chair in Breast Cancer Research at the U. T. Southwestern Medical Center - Dallas.

It is further recommended that the actual income which will be earned on the \$950,000 in pledges as received be certified to the appropriate State authorities for matching under the Texas Eminent Scholars Program as set out in Chapter 51, Subchapter I of the Texas Education Code, when matching funds are made available under that act.

#### BACKGROUND INFORMATION

The funds from the Komen Foundation are part of a \$3 million pledge for the purpose of establishing the Komen Alliance Center for Breast Cancer Research at the U. T. Southwestern Medical Center - Dallas. The Susan G. Komen Foundation was founded by Nancy Brinker in 1982 in memory of her sister who died from breast cancer in 1980. Its purpose is to provide funds to finance important basic science and clinical research projects directly related to breast cancer and to make breast cancer detection affordable and available to all women who should be screened, according to American Cancer Society guidelines.

The funds from the Southwestern Medical Foundation, Mr. Cecil Green, and an anonymous donor are part of a \$10.5 million challenge grant for the purpose of establishing 21 new distinguished chairs.

27. U. T. Southwestern Medical Center - Dallas: Recommendation to Accept Pledges to Establish Four Distinguished Chairs and Eligibility for Matching Funds Under the Texas Eminent Scholars Program.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President Wildenthal that pledges totalling \$4,000,000 be accepted and used to establish four distinguished chairs at the U. T. Southwestern Medical Center - Dallas. The four distinguished chairs will each be funded by a \$500,000 pledge from Mr. Harold C. Simmons, Dallas, Texas, a \$400,000 pledge from an anonymous donor, a \$50,000 pledge from Mr. Cecil Green, Dallas, Texas, and a \$50,000 pledge from the Southwestern Medical Foundation, Dallas, Texas (to be held in trust at the Southwestern Medical Foundation), with all pledges payable by August 31, 1991, and each chair totalling \$1,000,000. The distinguished chair titles are to be as follows:

- a. The Lisa K. Simmons Distinguished Chair in Comprehensive Oncology
- b. The Scheryle Simmons Patigian Distinguished Chair in Cancer Immunobiology

- c. The Andrea L. Simmons Distinguished Chair in Cancer Immunochemistry
- d. The Serena S. Simmons Distinguished Chair in Cancer Immunopharmacology.

It is further recommended that the actual income earned on the \$950,000 in pledges as received for each of the four chairs be certified to the appropriate State authorities for matching under the Texas Eminent Scholars Program as set out in Chapter 51, Subchapter I of the Texas Education Code, when matching funds are made available under that act.

#### BACKGROUND INFORMATION

The funds from Mr. Simmons are part of his \$41 million pledge for the support of cancer and arthritis research. Mr. Simmons, a native Texan, is a Dallas entrepreneur and philanthropist.

The funds from the Southwestern Medical Foundation, Mr. Cecil Green, and the anonymous donor are part of a \$10.5 million challenge grant for the purpose of establishing 21 new distinguished chairs.

- 28. U. T. Medical Branch - Galveston: Recommendation to Accept Gifts to Establish The Edward J. and Ellie Weisiger Lefebber, Sr. Prize in Geriatric Medicine and Gerontology.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President James that a \$9,000 gift from Mrs. Edward Lefebber, Sr., Galveston, Texas, and a \$1,000 gift from Dr. Edward J. Lefebber, Jr., Phoenix, Arizona, for a total of \$10,000 be accepted to establish The Edward J. and Ellie Weisiger Lefebber, Sr. Prize in Geriatric Medicine and Gerontology at the U. T. Medical Branch - Galveston.

Income earned from the endowment will be used to provide an annual academic prize for students who earn the privilege of completing a special elective course in gerontology within the Department of Internal Medicine during their fourth year of studies at the U. T. Medical Branch - Galveston.

#### BACKGROUND INFORMATION

Mrs. Edward Lefebber, Sr. and Dr. Edward Lefebber, Jr. are funding this endowment to honor the memory of Dr. Edward Lefebber, Sr. who, at the time of his death in January 1988, was a Clinical Professor in Internal Medicine and Family Medicine at the U. T. Medical Branch - Galveston. Dr. Lefebber had been a member of the faculty since 1940.

29. U. T. Medical Branch - Galveston: Recommendation to Accept Additional Grants from The Sealy & Smith Foundation for the John Sealy Hospital to Fund Construction of a New Emergency Department and Trauma Center Facility.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President James that additional grants totalling \$18,071,400 from The Sealy & Smith Foundation for the John Sealy Hospital, Galveston, Texas, be accepted by the U. T. Board of Regents. These grants will be combined with a previously accepted grant of \$10,000,000 to fund construction of the new Emergency Department and Trauma Center Facility at the U. T. Medical Branch - Galveston with an estimated total project cost of \$28,071,400.

#### BACKGROUND INFORMATION

The Emergency Department at the U. T. Medical Branch - Galveston provides care 24 hours a day, 365 days each year. Approximately one-third of all admissions to the U. T. Medical Branch - Galveston hospitals come through the Emergency Department. The existing facility is inadequate and renovating the current facility would not yield sufficient space.

At the August 1986 meeting of the U. T. Board of Regents, a grant of \$10,000,000 was accepted toward construction of the facility. Since that time, the scope of the project, difficulties associated with the related mechanical work and related site problems, as well as an adverse bidding climate in Galveston, have resulted in a new estimated project cost of \$28,071,400. The Foundation, recognizing the urgency of the need for this facility, has agreed to increase its contribution to cover this new project cost.

See Item 12 on Page B&G - 14 related to construction of the new Emergency Department and Trauma Center Facility.

30. U. T. Medical Branch - Galveston: Recommendation to Accept Bequest from the Estate of Dorothy Kuhlman Theisinger and Transfer of Funds to Establish the Dorothy Kuhlman Theisinger Endowment for Research in Ophthalmology.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President James that a \$1,024,344 bequest from the Estate of Dorothy Kuhlman Theisinger, Houston, Texas, and a transfer of \$99,100 in interim earnings for a total of \$1,123,444 be accepted to establish the Dorothy Kuhlman Theisinger Endowment for Research in Ophthalmology at the U. T. Medical Branch - Galveston.

Income earned from the endowment will be used to support research in the Department of Ophthalmology at the U. T. Medical Branch - Galveston.

#### BACKGROUND INFORMATION

The U. T. Medical Branch - Galveston was named to receive one-third of the residual Estate of Mrs. Theisinger for use in ophthalmology research. The U. T. M.D. Anderson Cancer Center accepted a similar bequest at the February 1988 meeting of the U. T. Board of Regents.

31. U. T. Health Science Center - Houston: Recommendation to Accept Gifts to Establish The Hardin-Parents Organization Scholarship.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and Interim President Ribble that a \$5,000 gift from Mr. and Mrs. Donald M. Hardin, Tulsa, Oklahoma, and a \$5,000 gift from The Organization of Parents and Friends of the U. T. Medical School - Houston for a total of \$10,000 be accepted to establish The Hardin-Parents Organization Scholarship at the U. T. Health Science Center - Houston.

Income earned from the endowment will be used to award needs based scholarships to medical students.

#### BACKGROUND INFORMATION

Mr. and Mrs. Donald M. Hardin are members of The Organization of Parents and Friends, an organization for parents of U. T. Medical School - Houston students. The group was established in 1981, with its primary purpose to enhance the quality of student life at the U. T. Health Science Center - Houston.

32. U. T. M.D. Anderson Cancer Center: Recommendation to Accept Gift and Transfer of Funds to Establish the Vara Daniel Cancer Child Life Program.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President LeMaistre that a \$35,987.78 gift from Governor Bill Daniel, Liberty, Texas, and a \$14,012.22 transfer of previously reported gifts from current restricted funds for a total of \$50,000 be accepted to establish an endowment at the U. T. M.D. Anderson Cancer Center to be named the Vara Daniel Cancer Child Life Program.

Income earned from the endowment will be used to provide partial salary support for Child Life Specialists. These personnel assist the pediatric patients in dealing with the fears and pain associated with having cancer and help provide them with a more home-like environment in which to grow and develop during periods of treatment.

#### BACKGROUND INFORMATION

Governor Daniel, along with friends and acquaintances, is funding this endowment in memory of his wife, "Miss Vara." She was a patient at the U. T. M.D. Anderson Cancer Center for many years prior to her death in 1987.

33. U. T. M.D. Anderson Cancer Center: Recommendation to Accept Remainder Interests in the Sam F. Davis Annuity Trusts of 1980, 1983 and 1984.--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President LeMaistre that undivided remainder interests in three trusts created by Mr. and Mrs. Sam F. Davis, Denver, Colorado, at the U. T. M.D. Anderson Cancer Center be accepted as follows:

<u>Trust Name</u>	<u>Book Value</u>	<u>Percent to U. T. M.D. Anderson Cancer Center</u>
Sam F. Davis Charitable Remainder Annuity Trust 1980	\$ 280,000	10%
Sam and Freda Davis Annuity Trust 1983	115,000	5%
Sam F. and Freda R. Davis Annuity Trust 1984	1,400,000	10%

Guaranty Bank and Trust Company, located in Denver, Colorado, is serving as trustee of all three trusts.

Mr. Davis has indicated that these funds should be used for the continuing development of the Research Division of the Science Park at Smithville, Texas.

#### BACKGROUND INFORMATION

At the February 1979 meeting, the U. T. Board of Regents accepted a ten percent undivided remainder interest in an annuity trust created by Mr. Sam F. Davis of Denver, Colorado, titled the Sam F. Davis Annuity Trust 1978. This trust was reported to have a value of \$105,000 with the U. T. M.D. Anderson Cancer Center to receive ten percent of the trust upon the demise of both Mr. and Mrs. Davis.

34. U. T. M.D. Anderson Cancer Center: Estate of Lessley S. Keese - Final Report and Recommendation to Use Bequest in Support of Various Institutional Programs.--

RECOMMENDATION

President LeMaistre reports that the final distribution from the Estate of Lessley S. Keese, Beaumont, Texas, has been received for a total bequest of \$708,919.72.

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President LeMaistre that the bequest be used in support of various institutional programs at the U. T. M.D. Anderson Cancer Center as needed. The only stipulation attached to the bequest is that it be used "for cancer research in connection with the M.D. Anderson Hospital, or its successors."

BACKGROUND INFORMATION

Mr. Keese's Estate was accepted at the April 1988 meeting of the U. T. Board of Regents with a final report and specific designation to be made upon completion of the Estate administration.

35. U. T. M.D. Anderson Cancer Center: Estate of Ellen F. Knisely - Final Report and Recommendation to Accept Transfer of Funds and Establish the Ellen F. Knisely Chair in Colon Cancer Research.--

RECOMMENDATION

President LeMaistre reports that the final distribution from the Estate of Ellen F. Knisely, Roanoke, Virginia, has been received for a total bequest of approximately \$988,635.

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President LeMaistre that an \$11,365 transfer of funds representing interim earnings be combined with the Estate bequest for a total of \$1,000,000 and used to establish the Ellen F. Knisely Chair in Colon Cancer Research at the U. T. M.D. Anderson Cancer Center.

BACKGROUND INFORMATION

Mrs. Knisely's Estate was accepted at the June 1988 meeting of the U. T. Board of Regents without a specific designation for use.

36. U. T. M.D. Anderson Cancer Center: Recommendation to Accept Gift and Transfer of Funds for Construction of the LeRoy Melcher, Jr. Memorial Fountain.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President LeMaistre that a \$750,000 gift from Mr. LeRoy Melcher, Sr., Houston, Texas, and a \$126,000 transfer of previously reported gifts from current restricted funds for a total of \$876,000 be accepted to fund construction of the LeRoy Melcher, Jr. Memorial Fountain at the main entrance to the U. T. M.D. Anderson Hospital at the U. T. M.D. Anderson Cancer Center.

BACKGROUND INFORMATION

Mr. Melcher is making this donation for the purpose of erecting a fountain as a memorial to his son, LeRoy Melcher, Jr., who was a patient at the U. T. M.D. Anderson Cancer Center and expired in 1981. Previous donations in memory of his son totalling \$126,000 are also being used to fund this project in accordance with the wishes of Mr. Melcher.

See Item 15 on Page B&G - 20 related to the proposed construction of this Fountain.

37. U. T. M.D. Anderson Cancer Center: Recommendation to Accept Bequest From the Estate of John R. Willis, Hidalgo, Texas.--

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President LeMaistre that a \$100,000 bequest to the U. T. M.D. Anderson Cancer Center from the Estate of John R. Willis, Hidalgo, Texas, be accepted and used "for the benefit of the M.D. Anderson Hospital in any manner it deems appropriate" as specified in the Will of the deceased.

BACKGROUND INFORMATION

Mr. Willis, whose wife was a patient of the U. T. M.D. Anderson Cancer Center and preceded him in death, had previously given donations to that institution. Those donations were used to establish The Patient Care Coordinator Endowment Fund which was accepted at the February 1983 meeting of the U. T. Board of Regents.

### III. OTHER MATTERS

U. T. Board of Regents: Proposed Amendments to Regents' Rules and Regulations, Part Two, Chapter IX, Section 1.2 (Authority to Assign and Transfer Securities Owned by the PUF and the Board) and Section 1.4 (Authority to Receive and Collect Money and/or Property).--

#### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Asset Management that the Board amend the Regents' Rules and Regulations, Part Two, Chapter IX, Sections 1.2 and 1.4 as set forth below:

- 1.2 Authority to Assign and Transfer Securities Owned by the PUF and the Board.--The Chancellor, or his or her delegate, the Executive Vice Chancellor for Asset Management, the Director for Endowments and Trusts, the Comptroller and Associate Assistant Comptroller, and the Trust-Officer Manager of Endowment Accounting and Operations may each assign and transfer any and all securities of any description whatever and execute any and all documents necessary to the consummation of any sale, assignment, or transfer of any securities registered in the name of the PUF or the Board, or in any other form of registration of such securities held for the account of the PUF or the Board in whatever manner, including all fiduciary capacities and including those registered in the names of trusts or foundations managed and controlled by said Board. In addition, custodian banks appointed by the Executive Vice Chancellor for Asset Management may assign and transfer securities and execute any and all documents necessary to the consummation of any sale, assignment, or transfer of any security owned by the Board.
- 1.4 Authority to Receive and Collect Money and/or Property.--The Chancellor, the Executive Vice Chancellor for Asset Management, and the Director for Endowments and Trusts, and the Manager of Estates and Trusts are each authorized and empowered to ask, demand, collect, recover, and receive any and all sums of money, debts, dues, rights, property, effects, or demands, whatever, due, payable, or belonging, or that may become due, payable, or belonging to any of the above funds from investment transactions, from any person or persons, whatever, and to execute any and all necessary or proper receipts, releases, and discharges therefor.

#### BACKGROUND INFORMATION

The proposed amendments reflect recent title changes within the Office of Asset Management.

**Executive Session  
of the Board**

BOARD OF REGENTS  
EXECUTIVE SESSION  
Pursuant to Vernon's Texas Civil Statutes  
Article 6252-17, Sections 2(e), (f) and (g)

Date: February 9, 1989

Time: 11:00 a.m. The Board will convene in Open Session and immediately recess to Executive Session. The Open Session will reconvene about 1:30 p.m. and continue through adjournment.

Place: Regents' Conference Room and Regents' Meeting Room, Ninth Floor, Ashbel Smith Hall

1. Pending and/or Contemplated Litigation - Section 2(e)  
U. T. Medical Branch - Galveston: Proposed Settlement of Medical Liability Litigation
  
2. Land Acquisition, Purchase, Exchange, Lease or Value of Real Property and Negotiated Contracts for Prospective Gifts or Donations - Section 2(f)  
U. T. Austin: Consideration of a Negotiated Agreement with the City of Austin for a Land Use Plan for the Brackenridge Tract and the Lease for the Lions Municipal Golf Course
  
3. Personnel Matters [Section 2(g)] Relating to Appointment, Employment, Evaluation, Assignment, Duties, Discipline, or Dismissal of Officers or Employees  
U. T. Board of Regents: Matters Relating to the Organization of the U. T. Board of Regents in Accordance with the Regents' Rules and Regulations, Part One, Chapter I, Sections 3, 4 and 5