



AGENDA
SPECIAL CALLED TELEPHONE MEETING
of
THE UNIVERSITY OF TEXAS SYSTEM
BOARD OF REGENTS
June 27, 2016
Austin, Texas

	Page
CONVENE THE BOARD IN OPEN SESSION TO RECESS TO EXECUTIVE SESSION PURSUANT TO <i>TEXAS GOVERNMENT CODE</i> , CHAPTER 551	1:30 p.m.
1. Consultation with Attorney Regarding Legal Matters or Pending and/or Contemplated Litigation or Settlement Offers – Section 551.071	
a. U. T. System Board of Regents: Discussion with Counsel on pending legal issues	
b. U. T. System Board of Regents: Discussion and appropriate action related to legal issues associated with participation in a consortium created for the purpose of bidding for the management and operations of the Sandia National Laboratories	
2. Personnel Matters Relating to Appointment, Employment, Evaluation, Assignment, Duties, Discipline, or Dismissal of Officers or Employees – Section 551.074	
U. T. System: Discussion and appropriate action regarding individual personnel matters relating to appointment, employment, evaluation, compensation, assignment, and duties of presidents (academic and health institutions), U. T. System Administration officers (Executive Vice Chancellors and Vice Chancellors), other officers reporting directly to the Board (Chancellor, General Counsel to the Board, and Chief Audit Executive), members of the Board of Regents, and U. T. System and institutional employees	
RECONVENE THE BOARD IN OPEN SESSION TO CONSIDER ACTION, IF ANY, ON EXECUTIVE SESSION ITEMS AND TO CONSIDER AGENDA ITEM	2:15 p.m. <i>approximately</i>
U. T. System Board of Regents: Discussion and appropriate action related to participation in a consortium created for the purpose of bidding for the management and operations of the Sandia National Laboratories and delegation of authority to enter into governance and performance documents and to appoint representatives to the governing board of the management entity	Action 2
ADJOURN	2:30 p.m. <i>approximately</i>

U. T. System Board of Regents: Discussion and appropriate action related to participation in a consortium created for the purpose of bidding for the management and operations of the Sandia National Laboratories and delegation of authority to enter into governance and performance documents and to appoint representatives to the governing board of the management entity

RECOMMENDATION

The Chancellor concurs in the recommendation of the Deputy Chancellor, the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Business Affairs, and the Vice Chancellor and General Counsel that the U. T. System Board of Regents

- a. authorize the U. T. System to participate in a consortium comprising Battelle Memorial Institute (Battelle), The Boeing Company, The Texas A&M University System, and The University of New Mexico created for the purpose of bidding for the management and operations of the Sandia National Laboratories (SNL) in Albuquerque, New Mexico;
- b. delegate authority to the Chancellor or Deputy Chancellor to enter into governance and performance documents with the entity that will manage and operate SNL, including authority to execute and take actions necessary to implement the governance and performance documents, following review by the Vice Chancellor and General Counsel, and to support the efforts of the bid; and
- c. delegate authority to the Chancellor to appoint a member or members to the governing board of the management entity.

BACKGROUND INFORMATION

The U.S. Department of Energy's National Nuclear Security Administration is seeking a contractor to manage and operate the Sandia National Laboratories. SNL is a federally funded research and development center and the engineering arm of the U.S. nuclear weapons enterprise, using science-based engineering in which fundamental science, computer models, and unique experimental facilities come together so researchers can understand, predict, and verify systems performance. SNL's vision is to become the nation's premier science and engineering laboratory for national security and technology innovation. The Request for Proposal for a new contractor was issued on May 18, 2016, and a contract award to the winning bidder is anticipated by the end of 2016.

Battelle, the world's largest independent nonprofit research and development organization, and The Boeing Company, the world's largest aerospace company and leading manufacturer of commercial jetliners and defense, space, and security systems, have signed a formal agreement to bid jointly to manage the SNL. The University of Texas System, The University of New Mexico, and The Texas A&M University System will be exclusive members of the Battelle and Boeing team. The university partners will support the talent pipeline, conduct research, and support the science and technology elements of the SNL's mission.

The U. T. System has a long-standing relationship with SNL and has worked closely with the Laboratories to supply the skilled scientists and engineers needed to support Sandia's mission and on numerous science and engineering projects important to the nation's security.

If the recommended actions are approved by the Board of Regents, Chancellor McRaven intends to appoint Dr. David E. Daniel, Deputy Chancellor, to serve on the governing board of the management entity.