

Meeting No. 1,149

THE MINUTES OF THE BOARD OF REGENTS  
OF  
THE UNIVERSITY OF TEXAS SYSTEM

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June 27, 2016

Austin, Texas

MEETING NO. 1,149

MONDAY, June 27, 2016.--The members of the Board of Regents of The University of Texas System convened a special called meeting via telephone conference call at 1:30 p.m. on Monday, June 27, 2016, in the Board Room, Ninth Floor, Ashbel Smith Hall, 201 West Seventh Street, Austin, Texas, with the following participation:

ATTENDANCE.--

Present

Chairman Foster  
Vice Chairman Hicks  
Vice Chairman Hildebrand  
Regent Aliseda  
Regent Beck  
Regent Cranberg  
Regent Hall  
Regent Pejovich  
Regent Tucker  
Regent Joseph, Student Regent, nonvoting

In accordance with a notice being duly posted with the Secretary of State and there being a quorum present, Chairman Foster called the meeting to order in Open Session.

WELCOME TO STUDENT REGENT JOSEPH.--Chairman Foster welcomed Student Regent Joseph to his first Board meeting. Regent Joseph is a dental student at The University of Texas Health Science Center at San Antonio and a graduate of Baylor University.

[On May 11, 2016, Governor Greg Abbott appointed Mr. Varun P. Joseph, McKinney, Texas, as Student Regent to the Board of Regents of The University of Texas System to serve for a term from June 1, 2016 to May 31, 2017.]

RECESS TO EXECUTIVE SESSION.--At 1:33 p.m., the Board recessed to convene in Executive Session pursuant to *Texas Government Code* Sections 551.071 and 551.074 to consider the matters listed on the Executive Session agenda.

RECONVENE IN OPEN SESSION.--At 1:57 p.m., the Board reconvened in open session for action on matters discussed in Executive Session and to consider the Open Session agenda item on the following page.

1a. U. T. System Board of Regents: Discussion with Counsel on pending legal issues

No action was taken on this item.

1b. 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

No action was taken on this item. See action taken under the Open Session Item below.

2. 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

No action was taken on this item.

AGENDA ITEM

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

The Board approved the following recommendations:

- a. authorize The University of Texas 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.

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.

With approval of this agenda item, Chancellor McRaven appointed Dr. David E. Daniel, Deputy Chancellor, to serve on the governing board of the management entity.

ADJOURNMENT.--At 2:00 p.m., there being no further business, the meeting was adjourned.

/S/ Tina E. Montemayor  
Assistant Secretary to the Board of Regents

June 27, 2016