

MINUTES

HOUSTON FIRST CORPORATION

OPERATIONS COMMITTEE MEETING

April 6, 2023 – 2:00 P.M.

Partnership Tower, 701 Avenida de las Americas, Suite 200

Houston, Texas 77010

HOUSTON FIRST BOARD ROOM

The Operations Committee (“Committee”) of Houston First Corporation (the “Corporation” or “HFC”), a Texas local corporation created and organized by the City of Houston as a local government corporation pursuant to TEX. TRANSP. CODE ANN. §431.101 et seq. and TEX LOC. GOV’T. CODE ANN. §394.001 et seq., held a meeting at Partnership Tower, 701 Avenida de las Americas, Suite 200, Houston, Harris County, Texas 77010 on Thursday, April 6, 2023, commencing at 2:00 p.m.

Written notice of the meeting including the date, hour, place, and agenda for the meeting was posted in accordance with the Texas Open Meetings Act.

The following Committee Members participated in the meeting: Reginald Martin (Vice-Chair), Alex Brennan-Martin, Tom Segesta, and Bobby Singh.

- I. **Call to Order.** Reginald Martin, Committee Vice-Chair, called the meeting to order at 2:02 p.m., and a quorum was established.
- II. **Public Comments.** None.
- III. **Review and approval of minutes from prior meeting.** Following a duly seconded motion, the March 20th, 2023, minutes were approved as presented. Alex Brennan-Martin was absent from the vote.
- IV. **Committee Business**
 - A. Consideration and possible recommendation of a Janitorial Cleaning Services Agreement between Houston First Corporation and United Maintenance Company, Inc.

Michael Heckman, President & CEO, conveyed that HFC terminated its current janitorial provider, Caring Commercial Cleaning, Inc. (“Caring”); therefore, HFC’s management recommends a new janitorial service provider. He added that during the Fall of 2022, HFC selected Caring through a solicitation process. He highlighted that management recommends selecting the second highest ranking company from the recent janitorial

solicitation rather than restarting the process, saving a four to six months of processing time.

Mr. Heckman informed the Committee that he and Luther Villagomez, Chief Operating Officer, met with the CEO of the proposed new company to discuss the process and transition. Mr. Heckman assured the Committee that the new company's management understood the janitorial industry and had janitorial experience with large venues and convention centers across the country and in some of the largest cities in the nation. He added that the new company understood the issues that Houston and other convention cities face and had a solid plan to transition janitorial employees.

John Gonzalez, Senior Vice President and General Manager, illustrated that United Maintenance ("United") was ranked number two in the initial solicitation process. He added that United would pay each employee at the same rate as the current provider. United is a global company based in Chicago, Illinois, with clients like Kay Bailey Hutchinson Convention Center in Dallas, Texas, Los Angeles Convention Center, O'Hare International Airport, Mandalay, and MGM Resorts. Mr. Gonzalez also provided that United had a diversity goal of 33% and a proposed goal of 38%.

Mr. Gonzalez conveyed that he and Mr. Villagomez previously worked with United and noted that United was a provider for the George R. Brown Convention Center ("GRB") in 1987. Mr. Gonzalez emphasized that he and Mr. Villagomez were comfortable with their discussions with United regarding the implications of their policies on HFC's business model and the possibility of working with United as the new janitorial provider.

Tom Segesta, Board Member, asked if HFC could select Midwest Maintenance ("Midwest"), the previous provider. Lisa Hargrove, General Counsel, replied that HFC could not select Midwest under the current solicitation. She explained that HFC provided the Scoring Committee with a proposal from each bidder with a scoring matrix based on specified solicitation criterion, which resulted in United receiving the second-highest score. Ms. Hargrove further explained that the Caring contract would expire on May 3rd, 2023, at midnight, and the new contract with United, if approved, would begin May 4th, 2023, at 12:01 a.m. Ms. Hargrove confirmed that Caring's contract was terminated and HFC provided Caring with a 30-day written notice. Ms. Hargrove conveyed that Caring would provide phase-out services, and United would begin onboarding immediately. Mr. Segesta then inquired into contract terms. Ms. Hargrove replied that Caring's agreement and United's potential agreement had identical performance duties and the \$15.00 minimum wage payments. She added that, in this case, United indicated a willingness to open discussions and to establish a contract with the Service Employees International Union of Texas ("SEIU"), unlike Caring. Mr. Heckman stated that United contacted SEIU to commence a meaningful dialogue, provided they are approved as the new janitorial provider, to enter into a negotiated agreement.

Alex Brennan-Martin, Board Member, asked how HFC terminated Caring's contract, and Ms. Hargrove replied HFC ended Caring's agreement for convenience. Bobby Singh, Board Member, emphasized the importance of expeditiously resolving this matter, but questioned the assurance that the new company would honor the contract terms. Mr. Heckman replied that he was comfortable with United, emphasized that they were a well-known company within the industry, and added that they opened the GRB. He noted that the current issue required abnormal steps, which he did not expect to use again.

Reginald Martin, Committee Vice-Chair, asked about the term length of United's potential agreement. Ms. Hargrove responded that United's possible term length would be five years, like previous contracts, beginning on May 4th, 2023.

Mr. Heckman reiterated that HFC terminated Caring's contract and needed a new janitorial provider. In response, Mr. Brennan-Martin questioned whether contracts could include a clause to terminate for cause, such as the treatment of employees. Ms. Hargrove clarified that, as a governmental entity, HFC could not require a vendor in these contracts to provide benefits, evaluate tenure, or affiliate or negotiate with the SEIU. However, she clarified that HFC could require a vendor to pay a specified minimum wage and promulgate a specific set of responsibilities for the cleaning.

Mr. Segesta asked if Caring notified its employees of the termination of its contract, and Mr. Gonzalez responded that it informed its employees on April 5th, 2023.

Following a duly seconded motion, Committee Members unanimously approved a Janitorial Cleaning Services Agreement between Houston First Corporation and United Maintenance Company, Inc.

V. **Adjourn.** The meeting adjourned at 2:17 p.m.