

**CITY OF EL PASO, TEXAS
AGENDA ITEM
DEPARTMENT HEAD'S SUMMARY FORM**

DEPARTMENT: General Services

AGENDA DATE: 1/6/11

CONTACT PERSON NAME AND PHONE NUMBER: Stuart Ed, Director, General Service, (915) 621-6822

DISTRICT(S) AFFECTED:

SUBJECT:

APPROVE a resolution / ordinance / lease to do what? OR AUTHORIZE the City Manager to do what? Be descriptive of what we want Council to approve. Include \$ amount if applicable.

To authorize the City Manager to sign Amendment #1 to the Professional Services Contract, approved by City Council on May 25, 2010, between the City of El Paso and Johnson Controls, Inc. to perform building improvements to City buildings to implement the City-wide Energy Operational Savings Program in an amount not to exceed \$3,097,724 and for operational measurement and verification services not to exceed \$529,046 over 17 years after installation of the improvements, for a total not to exceed \$3,626,770.

BACKGROUND / DISCUSSION:

Discussion of the what, why, where, when, and how to enable Council to have reasonably complete description of the contemplated action. This should include attachment of bid tabulation, or ordinance or resolution if appropriate. What are the benefits to the City of this action? What are the citizen concerns?

The City is seeking continuation of its City-wide energy and operational efficiency initiatives. This action is the First Amendment of the initial contract award approved by Council to Johnson Controls, Inc. (JCI) on May 25, 2010 to act as the City's Energy Services Company (ESCO). This amendment implements a \$3,097,724 grant program of federal American Recovery and Reinvestment Act received by the City for city-wide energy and operational efficiency improvements and facility upgrades with guaranteed energy savings to the City of El Paso. The amendment includes operational measurement and verification services not to exceed \$529,046 over 17 years after installation of the improvements, also paid by achieved annual energy savings. The First Amendment totals \$3,626,770.

In accordance with its existing contract with the City, JCI has identified a program of lighting improvements, solar photovoltaic (PV) power generation panels, and HVAC equipment and control upgrades in its initial energy audit at 44 separate City facilities. JCI will engineer, design, install, and monitor this energy and operational savings program of Energy Conservation Measure (ECM) retrofits. JCI is providing a written guarantee of all utility and operational cost reductions to insure the initial investment (including all measurement and verification services costs) is completely recouped by the City in annual energy savings for a period not to exceed 17 years. The program is structured in a manner to minimize the program's financed capital needs and meet the Texas State Energy Conservation Office (SECO) LoanSTAR Program requirements, the federal American Recovery and Reinvestment Act requirements, and the provisions of the Energy Savings Performance Contracts for Local Government (Texas Local Government Code Chapter 302).

PRIOR COUNCIL ACTION:

Has the Council previously considered this item or a closely related one?

Original Energy Services Company (ESCO) contract with Johnson Controls, Inc. was approved by Council on May 25, 2010 in the amount of \$350,000 under Solicitation Number 2010-085R.

AMOUNT AND SOURCE OF FUNDING:

How will this item be funded? Has the item been budgeted? If so, identify funding source by account numbers and description of account. Does it require a budget transfer?

37150067-502226-05590-GEECBG01 – Energy Efficiency and Conservation Block Grant
Energy Efficiency and Conservation Block Grant - 502226-05590-37150067-GEECBG01 \$3,000,000
MSC building Solar System - 502226-05590-37150067-GEECBG03 \$100,000

BOARD / COMMISSION ACTION:

Enter appropriate comments or N/A

*****REQUIRED AUTHORIZATION*****

DEPARTMENT HEAD:

(If Department Head Summary Form is initiated by Purchasing, client department should sign also)

Information copy to appropriate Deputy City Manager

RESOLUTION

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL PASO:

That the City Manager be authorized to sign Amendment # 1 to the Professional services Contract, dated May 17, 2010, between the City of El Paso and Johnson Controls, Inc., a Wisconsin Corporation to perform certain building improvements to City buildings to implement the City-wide Energy Operational Savings (Improvement Measures #1) for an amount not to exceed three million ninety seven thousand seven hundred twenty four and No/100 Dollars (3,097,724.00) and for optional measurement and verification services over a seventeen year period not to exceed five hundred twenty nine thousand forty six and No/100 Dollars (\$529,046.00), for a total not to exceed three million six hundred twenty six thousand seven hundred seventy and No/100 (\$3,626,770.00) This authorization is subject to final approval by the City Attorney's office of the Attachments and Exhibits to Amendment #1.

ADOPTED THIS _____ DAY OF _____ 2011.

CITY OF EL PASO:

John F. Cook, Mayor

ATTEST:

Richarda Duffy Momsen, City Clerk

APPROVED AS TO FORM:

APPROVED AS TO CONTENT

Mark Shoemith
Assistant City Attorney

Stuart C. Ed, Director
General Services Department

CITY OF EL PASO

AMENDMENT #1 TO
PROFESSIONAL SERVICES CONTRACT WITH
JOHNSON CONTROLS INC.

THIS AMENDMENT TO THE PROFESSIONAL SERVICES CONTRACT (the “**Amendment #1**”) is entered into as of the ___ day of _____, 2011 by and between Johnson Controls, Inc., a Wisconsin corporation with offices located at 3021 West Bend Drive, Iving, Texas 75063 (hereinafter referred to as “Consultant” or “JCI” or “Contractor”) and City of El Paso (hereinafter referred to as “City” or “Customer” or “Owner”).

RECITALS

WHEREAS, the CITY issued a Request for Qualifications Solicitation No. 2010-085R and CONSULTANT was selected to act as the City’s Energy Services Company and perform services for developing a Detailed Evaluation Study, identify, engineer, design, install, maintain, monitor and facilitate a major energy and operational savings program including Energy Conservation Measures and assisting the City in obtaining grants for such program (hereinafter the “Services”);

WHEREAS, Consultant and the City entered into that certain Professional Services Contract, dated May 17, 2010 (the “**Contract**”);

WHEREAS, under the Contract, the CONSULTANT has completed the first phase for City facilities identified in Attachment “M”, Detailed Evaluation Study of CITY facilities (the “Study #1”), for the City-wide Energy Operational Savings Program (the “Project #1”);

WHEREAS, as a result of the Study, the CITY and CONSULTANT have agreed to perform certain building improvements to implement the Project #1 (the “Improvement Measures #1”); and

WHEREAS, the City wishes to amend the Contract with the Consultant for the Improvement Measures #1.

NOW THEREFORE, in consideration of the mutual covenants, agreements and conditions herein contained and for other and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Consultant and the City agree as follows:

ARTICLE I. TERMS

1. The attached Performance Contract will be added as Attachment “M” to the contract and shall be incorporated into this Agreement as if fully set forth herein.
2. The terms and conditions set forth in Attachment “M” will apply to the Improvement Measures #1 Scope of Work, more particularly set forth in Schedule M-1”.
3. The parties agree that Section 2.2, subsections (A) and (B) only, Section 2.4, Section 3.1, including subsection (A) of the Contract are hereby deleted.

ARTICLE II. MISCELLANEOUS

1. Except as modified or otherwise provided herein, the existing terms, covenants, agreements, responsibilities and obligations contained in the Contract shall remain in full force and effect through the term of the Contract. In the event of conflict between the terms and conditions of the Contract and the terms and conditions of this Amendment, the terms and conditions of this Amendment shall prevail.
2. This Amendment is effective upon the date of execution by both parties.

IN WITNESS WHEREOF, the parties have caused this Amendment to be duly executed by their duly authorized representatives on the dates written below:

CITY OF EL PASO	JOHNSON CONTROLS, INC.
By: _____ Joyce Wilson	By: _____ Signature
Title: <u>City Manager</u>	Michael Crowe Name
Date: _____	Title: <u>Regional VP</u>
	Date: _____

APPROVED AS TO FORM:

APPROVED AS TO CONTENT:

Mark Shoosmith
Assistant City Attorney

Stuart C. Ed, Director
General Services Department



General Services Department

1/6/11 – REGULAR AGENDA ITEM 10

**City-Wide Energy Operational Savings Program
Johnson Controls, Inc. Amendment 1**



General Services





JCI Contract Amendment #1

Total Amount - \$3,626,770

\$3,097,724 ARRA grant

\$529,046 measurement & verification (over 17 years)

Guaranteed savings

Original Contract Approved 5/25/10

\$350,000

Advanced engineering audit

3rd Party Review - Independently Verified

CEA Group

Department of Energy





JCI Contract Amendment #1

Scope of Work

Lighting, solar PV, HVAC equipment and controls

Department	No. of Facilities
Health	10
Library	8
Parks	16
Police	3
Fire	2
Museum	1
Streets	1
General Services	3
Total	44



Guaranteed Savings

S E R V I C E S O L U T I O N S S U C C E S S



Year	Utility Cost Avoidance
1	\$168,287
2	\$173,336
3	\$178,536
4	\$183,892
5	\$189,409
6	\$195,091
7	\$200,943
8	\$206,972
9	\$213,181
10	\$219,576
11	\$226,164
12	\$232,949
13	\$239,937
14	\$247,135
15	\$254,549
16	\$262,186
17	\$270,051
Totals	\$3,662,192



General Services



1/6/11 Regular Agenda – Item 10



City of El Paso – Phase I

Proven Success

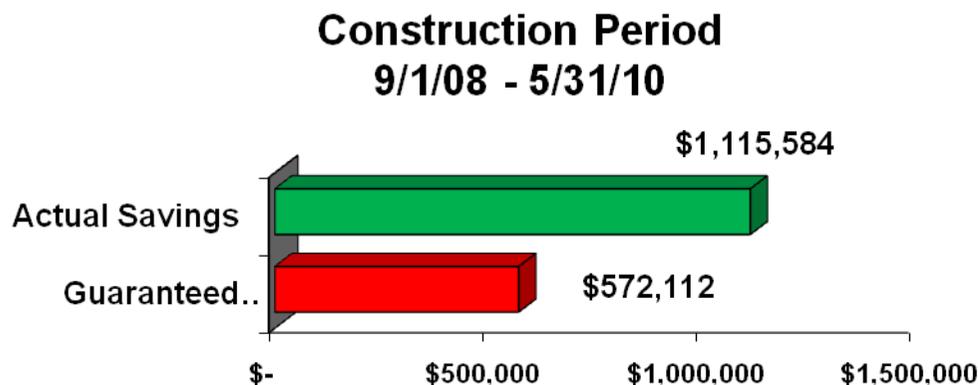
Project cost - \$14.8M

Annual savings - \$1.7M

53 facilities, 6600 traffic signals

Electric savings – 30%

Utility rebates - \$427K





Questions / Comments

