

EXECUTIVE SUMMARY

Recommendation for Master Services Contract for Guaranteed Energy Performance Contracting Services with Johnson Controls, Inc. FY20-121 – Guaranteed Energy Performance Contracting Services

Introduction

Responsible: Procurement & Warehousing Services (PWS)

On January 14, 2020, in accordance with and pursuant to Section, 1013.23, Florida Statutes, the School Board and Johnson Controls, Inc. (“JCI”) entered into a Project Development Agreement (the “PDA”)(Item EE-4) pursuant to which JCI agreed to provide a Detailed Development Summary (the “Report”) for energy cost savings in the form of this Agreement. As authorized in the PDA, the School Board desires to retain JCI to perform the work relating to the installation of improvement measures, which shall reduce energy consumption, produce cost savings, and improve the quality of indoor air in facilities. The School Board has selected JCI to perform the work in accordance with Chapter Section, 1013.23, Florida Statutes, and all other applicable procurement and other laws.

This item precedes Agenda Item AA-3, Resolution No. 20-111 authorizing the execution and delivery of a Master Equipment Lease/Purchase Agreement with Banc of America Public Capital Corp and related agreements with respect to the acquisition, purchase, financing, and leasing of certain energy services equipment in an aggregate amount not exceeding four million five hundred forty-three thousand one hundred (\$4,543,100); authorizing the execution and delivery of an escrow agreement, a Master Services Contract for Guaranteed Energy Performance Contracting Services with Johnson Controls, Inc. and related documents required in connection therewith; authorizing incidental action, and providing an Effective Date.

There is no financial impact to the District.

Goods/Services Description

Responsible: Environmental Health & Safety (EH&S)

The Florida Legislature has determined that investment in energy conservation measures in educational facilities can reduce the amount of energy consumed and produce immediate and long-term savings; accordingly, it is the policy of the state of Florida to encourage school districts to invest in energy conservation measures that reduce energy consumption, produce cost savings, and improve the quality of indoor air in facilities, and, when economically feasible, to build, operate, maintain, or renovate educational facilities in such a manner so as to minimize energy consumption and maximize energy savings. It is also the policy of the state of Florida to encourage school districts to reinvest any energy savings resulting from energy conservation measures into additional energy conservation efforts. To facilitate the implementation of energy conservation measures in schools, the Florida Legislature enacted Section 1013.23, Florida Statutes.

The term of this Agreement shall expire at the end of each fiscal year and may be automatically renewed annually up to twenty (20) years, subject to the School Board making sufficient annual appropriations based upon continued realized energy cost savings. Both JCI and the School Board stipulate that this Agreement does not constitute a debt, liability, or obligation of the School Board, or a pledge of the faith and credit of the School Board. JCI guarantees that annual energy cost savings will meet or exceed the amortized cost of energy conservation measures.

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All payments, except obligations on termination of the Agreement before its expiration, are to be made over time, but shall not exceed twenty (20) years from the date of complete installation and acceptance by the School Board, and that the annual savings are guaranteed to the extent necessary to make annual payments to satisfy the Agreement.

JCI shall provide the School Board an annual reconciliation of the guaranteed energy cost savings as set forth in Article 2 of the Agreement. JCI shall be liable for any annual savings shortfall which may occur in any year in which JCI is providing services. In the event that such reconciliation reveals an excess in annual energy cost savings, such excess savings shall not be used to cover potential energy cost savings shortages in subsequent contract years.

The following schools are included in the scope of work to be performed:

1. Dillard Elementary
2. Maplewood Elementary
3. Bethune, Mary M. Elementary
4. Pines Lakes Elementary
5. Pompano Beach Elementary
6. Pompano Beach Middle
7. Stranahan High
8. Tequesta Trace Middle
9. William Dandy Middle

Procurement Method

Responsible: PWS

Procurement & Warehousing Services (PWS) and Environmental Health & Safety (EH&S) opted to piggyback on the RFP P-65-17 for Guaranteed Energy Performance Contracting Services solicitation from the City of Jacksonville, Florida. PWS and EHS' future goal is to reserve the right to procure future phases of work that are in the best of the District. Including the Performance Contract and Master Energy Lease Agreement if it is found to be a beneficial and successful approach to future phases.

Financial Impact

Responsible: PWS

There is no financial impact to the District.