



**Department of Public Works  
Operations Division  
Buildings and Fleet Services**

**Jeffery J. Mantes**  
Commissioner of Public Works

**James P. Purko**  
Director of Operations

**Venu J. Gupta**  
Buildings & Fleet Superintendent

May 24, 2006

To the Honorable  
Common Council  
City of Milwaukee

Dear Council Members:

A performance contract is an agreement between a qualified energy services provider and a facility or infrastructure owner (City) under which the qualified provider designs and implements energy system improvements at no up-front cost to the owner. The qualified provider guarantees the owner a minimum level of energy savings from energy efficiency upgrades and retrofits and helps the owner secure financing based on that guarantee. Over the contract period the savings from reduced utility bills are used to pay for the capital investment in the equipment, the installation and related financing fees.

This resolution would authorize the Department of Public Works to have qualified providers prepare no-cost operational audits on city-owned buildings, equipment and infrastructure systems, and submit performance contracting recommendations, for DPW review and approval. DPW would subsequently submit recommendations to the Common Council for review and approval, energy performance contracts for energy conservation measures for City buildings, equipment and infrastructure systems.

Very truly yours,

Joseph J. Jacobsen, O&M Manager  
Buildings and Fleet Services

# Facilities Development & Mgmt