



Department of Public Works
Operations Division
Buildings and Fleet Services

Jeffrey J. Mantes
Commissioner of Public Works

Preston D. Cole
Director of Operations

Venu J. Gupta
Buildings & Fleet Services Superintendent

November 25, 2009

Mr. Erick Shambarger
Administration, Budget Division
200 East Wells, Room 603
Milwaukee, Wisconsin 53202

Subject: Existing Performance Contracting - Update

Dear Mr. Shambarger:

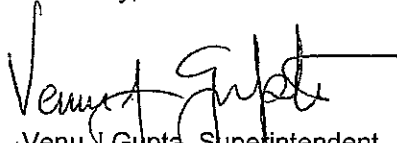
On September 23, 2008 the City of Milwaukee entered into a Performance Contract with Johnson Controls Inc. That contract included energy savings measures at the Safety Academy and retrofitting of traffic signal lighting to LED. The City invested \$724,869 in anticipation of savings of \$1,022,876 for the Safety Academy portion of the contract. The Safety Academy segment of the project consisted of replacement of boilers, unit ventilator assessment, control system upgrade from pneumatic to electronic, upgrading more than 2300 lighting fixtures, and plumbing retrofits to low-flow and low-flush plumbing. These items were each independently and successfully completed between Dec. 31, 2008 and April 30, 2009 and are operating as intended.

The twelve year performance term of the agreement began on May 1, 2009 and will expire on April 30, 2021. Initial savings were measured during the installation period that is prior to May 1, 2009. Even during the installation period when all of the initiatives were not in operation the City was able to realize savings of \$12,333. The project was exceptionally well managed without unnecessary inconvenience to the Safety Academy occupants, completed on time and within budget.

We support the use of performance contracting as a means of funding energy savings projects as a complement to capital funding.

Please contact Tom Tarkowski of my staff at 286-3295 if any additional information is required.

Sincerely,



Venu J. Gupta, Superintendent
Buildings and Fleet Services

Cc: T. Tarkowski
Central File