

August 5, 2025

Laredo College
Fort McIntosh Campus
Elpha Lee West Building, Room 122
cvela@laredo.edu

ATTN: Mr. Cesar Vela
Vice President of Finance and Administration

RE: Independent Review of Proposed Energy Savings Performance Contract

Dear Mr. Vela,

We have conducted an independent review of the proposed Laredo College Performance Contract for the implementation of Facility Improvement Measures (FIM) proposed by Johnson Controls, Inc. In accordance with Texas Education Code, Title 3, Subtitle A, Chapter 51, Section 51.927, ([Title 3, Education Code §51.927](#)), a third-party review by an independent Engineer is required to confirm the savings projected by an Energy Services Performance Contractor. The engineer shall focus primarily on the proposed improvements from an engineering perspective, the methodology and calculations related to cost savings, increases in revenue, and, if applicable, efficiency or accuracy of metering equipment proposed by the Energy Savings Performance Contractor.

A thorough technical review of the Proposed Contract and related documents provided by Johnson Controls has been performed. Our review included an engineering evaluation of the documents provided. This review is an assessment of the overall program scope of work and a technical review of the savings methodology, program investment, and economic justification. The review of the Contract document is from a technical perspective only, and is not a legal review. The technical review is to confirm the contract presents cohesive package that fully describes the intended scope services.

Scope of Work

Johnson Controls is proposing upgrades lighting, air conditioning equipment as well as automation and control systems that will allow the College to reduce energy usage while maintaining a more comfortable environment for the building occupants. In addition to deriving energy savings, these improvements will reduce future operation and maintenance expenses associated with the affected improvement measures. The proposed scope of work to be provided under this contract principally consists of 1) LED Lighting Upgrades 2) Energy Management Control System 3) Chiller and Pump Replacement 4) Cooling Tower Replacement 5) Cooling Tower Evaporative Credit.

Project Benefits

In our opinion, the proposed work is sufficient to deliver the guaranteed savings estimated by Johnson Controls. The ESCO provides a detailed written description of the proposed Facility Improvement Measures (FIMs) and the resulting savings in Schedule 1 of the Contract.

Savings Guarantee

Johnson Controls is proposing to implement the entire scope of work including engineering, procurement of equipment, and installation on a turnkey basis for a total cost of \$12,984,588 which will result in a guaranteed savings of \$13,069,057 over 20 years. The savings is a combination of future electricity, O&M savings, material savings, and capital cost avoidance.

Year	Measured Savings	Non-Measured (Stipulated) Savings		Total Annual Savings	Annual M&V Services	Net Annual Benefit
	Utility Savings	Operational Savings	Capital Avoidance			
1	\$226,483	\$171,178	\$4,509,507	\$4,907,168	\$29,481	\$4,877,686
2	\$231,390	\$171,178	\$0	\$402,568	\$30,349	\$372,219
3	\$236,551	\$171,178	\$0	\$407,728	\$31,251	\$376,478
4	\$241,978	\$171,178	\$0	\$413,155	\$32,189	\$380,966
5	\$247,685	\$171,178	\$0	\$418,863	\$33,165	\$385,698
6	\$253,689	\$171,178	\$0	\$424,866	\$26,383	\$398,483
7	\$260,003	\$171,178	\$0	\$431,181	\$27,439	\$403,742
8	\$266,647	\$171,178	\$0	\$437,824	\$28,536	\$409,288
9	\$278,731	\$171,178	\$0	\$449,908	\$29,678	\$420,231
10	\$291,384	\$171,178	\$0	\$462,561	\$30,865	\$431,697
11	\$304,633	\$171,178	\$0	\$475,810	\$0	\$475,810
12	\$318,508	\$171,178	\$0	\$489,685	\$0	\$489,685
13	\$333,039	\$171,178	\$0	\$504,216	\$0	\$504,216
14	\$348,258	\$171,178	\$0	\$519,436	\$0	\$519,436
15	\$364,201	\$171,178	\$0	\$535,378	\$0	\$535,378
16	\$380,902	\$0	\$0	\$380,902	\$0	\$380,902
17	\$398,399	\$0	\$0	\$398,399	\$0	\$398,399
18	\$416,731	\$0	\$0	\$416,731	\$0	\$416,731
19	\$435,940	\$0	\$0	\$435,940	\$0	\$435,940
20	\$456,071	\$0	\$0	\$456,071	\$0	\$456,071
Total	\$6,291,222	\$2,567,663	\$4,509,507	\$13,368,391	\$299,334	\$13,069,057

In accordance with Texas Education Code, the total guaranteed savings plus the College's capital contribution must meet or exceed the cost for the proposed FIMs which are selected. In this case the College will pay for the improvements up front, so the State's Performance Contracting requirements are satisfied.

Conclusion

The proposed project descriptions are complete, accurate, and are appropriate solutions for the proposed applications. The budget estimates and methods of calculating utility and operational savings appear to be reasonable. I, Paul Thompson, P.E., certify that the savings calculations and the cost reduction estimates presented by Johnson Controls are reasonable, and in accordance with generally accepted engineering practices to the best of my knowledge and in my professional judgment. Please contact me directly at (806) 787-5023 should you have any questions or need additional clarification.

Respectfully submitted,

A handwritten signature in black ink that reads "Paul Thompson". The signature is written in a cursive, flowing style.

Paul Thompson, P.E.
President