



Executive Summary Facilities Committee Meeting

DATE: January 19, 2021

TOPIC: Amendment No. 2 to Performance Contracting Agreement

PREPARED BY: Courtney Whited

Recommended for:

- Action
- Discussion
- Information

Purpose/Background:

On June 5, 2014, SD74 entered into a Performance Contracting Agreement with Siemens. On March 5, 2015, SD74 signed off on Amendment No. 1 of this Performance Contracting Agreement. Within this amendment, Table B.2 (see below) displayed a Performance Assurance Program Payment Schedule spanning 15 years. The total would have been \$96,712 for the Performance Assurance Services Program (PASP) reports issued annually. Examples of these PASP reports are attached.

Table B.2 – Performance Assurance Program Payment Schedule

Date	Semi - Annual Payments (\$)	Notes
Installation	\$4,798	1-Time Payment at Project Completion
Year 1	\$4,942	Payments to Annual
Year 2	\$5,090	Payments to Annual
Year 3	\$5,243	Payments to Annual
Year 4	\$5,400	Payments to Annual
Year 5	\$5,562	Payments to Annual
Year 6	\$5,729	Payments to Annual
Year 7	\$5,901	Payments to Annual
Year 8	\$6,078	Payments to Annual
Year 9	\$6,260	Payments to Annual
Year 10	\$6,448	Payments to Annual
Year 11	\$6,642	Payments to Annual
Year 12	\$6,841	Payments to Annual
Year 13	\$7,046	Payments to Annual
Year 14	\$7,257	Payments to Annual
Year 15	\$7,475	Payments to Annual

A Siemens representative wrote: *“The reports for Phase I Years 1-3 and Phase 1-2 got delivered in early 2018, and possibly may have been presented to the wrong point of contact. I have no notes on who, what and where but I do apologize as the reports were not delivered via email so no electronic receipts. However, at this point all the reports have been delivered at no charge to the School District.”*

The Siemens representative also wrote:

“No payments have been made to Siemens for any Performance Assurance (M&V) services to date as called out in Table B.2.

Siemens has elected to not invoice for anything. It was Siemens' mistake for not doing our bookings/billings from the jump.”

District Legal Counsel has reviewed this cancellation amendment and the recommendation is to move forward with the cancellation amendment as presented. The District has apparently never been billed for the annual PASP services in the past, even though they eventually received the reports (brief as they are) and Siemens will not be billing the District for any prior years (reports already issued or otherwise). Both of these are positive for the District.

Fiscal Impact:

Savings of \$96,712

Recommendation:

It is the Administrative recommendation that the Facilities Committee concurs to recommend to the Board of Education to approve the Performance Assurance Service Program cancellation by signing Amendment No. 2 to the Performance Contracting Agreement with Siemens.