

## **AGENDA ITEM 7.C.**

**RE:** Approval to Enter into Performance Contract with Johnson Control Inc.

**STAFF RECOMMENDATION:** That the Board approve:

- The use of FY 2025 Operating Savings to fund the proposed projects
- Approve a contract with Johnson Controls, Inc in the amount of \$12,984,588. The contract is being secured thru the Equalis Group Purchasing Cooperative Contract #R10-1143C.

**BACKGROUND:** Due to escalating annual cost of operations, aging infrastructure and building envelope issues, and the availability of capital funds to make facility improvements, Laredo College would like to leverage a performance contract to:

- Reduce overall operations & maintenance costs
- Decrease utility consumption
- Address infrastructure capital renewal needs.

The \$12.9M construction event will address the following:

- Interior and exterior lighting upgrades at the Fort McIntosh Campus
- Chillers 2 & 3 replacements, control upgrades, and cooling towers 2 & 3 replacement at the Fort McIntosh Campus
- Chillers 1 & 2 replacements, plant improvements, control upgrades, and cooling towers 1&3 replacements at the South Campus
- Cooling Tower meters at both campuses

This program (improvements) will provide \$6.3M in utility savings, \$2.5M in operational efficiencies, and offset over \$1.5M in capital needs over a 20 year period. Program savings have been evaluated and verified by an independent third party engineer (see attached report).

**BUDGETARY CONSIDERATIONS:** \$12,984,588 from FY 2025 Savings.

**CONTACT PERSONS:**

Dr. Minita Ramirez, President

Mr. Cesar E. Vela Jr., CPA, Vice President of Finance and Administration

Mr. Wicho Tijerina, Interim Director of Plant Maintenance and Operations

Ms. Jennifer Lancaster, Johnson Controls, Inc. – Project Lead