

Johnson Controls, Inc
Building Efficiency
South Regional Office
3021 West Bend Drive
Irving, TX 75063
Tel 972-868-3600 Fax 972-869-9421



PROJECT DEVELOPMENT AGREEMENT

Between

Canutillo ISD
116 North 10th Street
Canutillo TX 78537

AND

Johnson Controls, Inc. (JCI)
3021 West Bend Drive
Irving, TX 75063

Canutillo ISD has worked with Johnson Controls, Inc. (JCI) in the development of the design of their new Pre K – 8 campus to improve efficiency of the final project to be delivered. The objective is to achieve energy and other operational savings and performance improvements via application of a program consisting of development support for utility consuming infrastructure technologies and related professional services in the form of Facility Improvement Measures (FIMs). Canutillo ISD will “invest” capital (either cash or tax-exempt financing) for the FIMs. Said project shall be independent of all previous projects delivered or to be delivered to the District. Any subsequent Performance Contracting agreement must contain a requirement for mandatory bids from independent contractors acceptable to Canutillo ISD.

The purpose of this Project Development Agreement (PDA) is to confirm the intent of JCI and Canutillo ISD to develop a portfolio of FIMs which is intended to improve both facilities operational performance and financial performance. This agreement will provide the basis of the scope of the PDA, the obligations of both parties, the financial metrics to be met, the intended outcomes and timeline. Attachment I identifies the scope of work for a detailed facilities assessment. Additional projects may be addressed in the future by separate agreement(s)

1. Scope of Work

It is the Parties’ mutual understanding that this PDA will enable an analysis of costs and related energy and other operational savings for FIMs at the District’s new Pre-K – 8 campus to be constructed as defined per Attachment 1. JCI will develop a transaction structured to achieve simple payback within 15 years (Defined as incremental installed cost of the affected systems, divided by total savings). Pursuant to the District’s bond program and in collaboration with District management, JCI will develop a comprehensive project. The proposed structure will utilize the District bond proceeds and other capital infusion dollars to be invested by the District along with savings of incremental improvements, guaranteed to be entirely self-funding over a period of 15 years. The analysis will assume a 3% annual energy inflation factor.

2. Records and Data

During this project development phase, the District will provide JCI the following information regarding the new facility:

- Current design documents including plans and specifications
- LEED assessment scorecard

3. Price and Payment Terms

Canutillo ISD agrees to pay to JCI the sum **not to exceed** \$50,000 for Project Evaluation, Energy Modeling, Economic Payback Analyses and Design Engineering Services for the facility defined by this agreement within sixty days after the delivery of the Performance Contract Agreement and Pro Forma financial analysis described under paragraph 1 of this Agreement.



JCI agrees to deliver to the District a Business Case Analysis contingent upon the delivery by the District within 30 days of receipt of the requested project information.

However, Canutillo ISD will have no obligation to pay this amount if: a) Canutillo ISD and JCI enter into an Performance Contracting agreement within sixty days after the delivery to District of the documentation described under paragraph 1 of this Agreement.

4. Disputes

If a dispute arises under this Agreement, the parties shall promptly attempt in good faith to resolve the dispute through mediation. All disputes not resolved by mediation shall be resolved in Texas state court. This agreement shall be subject to the terms and conditions set forth in the Canutillo ISD RFQ 12-02 Professional Energy Management Services (RFQ 12-20)

5. Timeline

It is the intent and commitment of all parties identified in this Agreement to work diligently, and cause others under their direction to work diligently toward meeting the following timeline:

- Signed Project Development Agreement – TBD
- JCI Presents mid-point update on project development and confirms FIMs with District – 45 - 60 Days after bids are received by the District for the proposed Pre-K – 8 campus.
- JCI Presents and District Approves Final Scope of Work and Business Case Pro Forma(s) – 90 Days after bids are received by the District for the proposed Pre-K – 8 campus.
- District Executes Performance Contracting Agreement – 120 Days after bids are received by the District for the proposed Pre-K – 8 campus.

6. Criminal Background of Employees on CISD Campus with Direct Access to Students (Covered Employees):

Johnson Controls shall obtain all criminal history information required by Texas Education Code Chapter 22 regarding its “covered employees”, as defined below. If Johnson Controls is required by Chapter 22 to obtain the information from the Fingerprint-based Applicant Clearinghouse of Texas, then Johnson Controls will also subscribe to that person’s criminal history record information. Before beginning any Work on the Project, Johnson Controls will provide written certification to the District that Johnson Controls has complied with the statutory requirements as of that date. Upon request by Owner, Johnson Controls will provide, in writing: updated certifications and the names and any other requested information regarding covered employees, so that the Owner may obtain criminal history recommended information on the covered employees. Johnson Controls shall assume all expenses associated with obtaining criminal history record information.”

Johnson Controls will not assign any “covered employee” with a “disqualifying criminal history”, as those terms are defined below, to work on the Project. If Johnson Controls receives information that a covered employee has a reported disqualifying criminal history, then Johnson Controls will immediately remove the covered employee from the Project and notify the Owner in writing within three business days. If the Owner objects to the assignment of any covered employee on the basis of the covered employee’s criminal history record information, then Johnson Controls agrees to discontinue using that covered employee to provide services on Owner’s Project. If Johnson Controls has taken precautions or imposed conditions to ensure that

Johnson Controls, Inc
Building Efficiency
South Regional Office
3021 West Bend Drive
Irving, TX 75063
Tel 972-868-3600 Fax 972-869-9421



the employees of Johnson Controls and any Johnson Controls consultant will not become covered employees, Johnson Controls will ensure that these precautions or conditions continue throughout the time the contracted services are provided.” For the purposes of this Section, “covered employees” means employees, agents or subcontractors of Johnson Controls or any of Johnson Controls’ consultants who has or will have continuing duties related to the services to be performed on Owner’s Project and has or will have direct contact with Owner’s students. The Owner will decide what constitutes direct contact with Owner’s students. “Disqualifying criminal history” means any conviction or other criminal history information designated by the Owner, or one of the following offenses, if at the time of the offense, the victim was under 18 years of age or enrolled in a public school: a felony offense under Texas Penal Code Title 5 Offenses Against Persons; an offense for which a defendant is required to register as a sex offender under Texas Code of Criminal Procedure Chapter 62; or an equivalent offense under federal law or the laws of another state.”

7. Miscellaneous Provisions

This Agreement cannot be assigned by either party without the prior written consent of the other party. This Agreement is the entire Agreement between JCI and Canutillo ISD and supersedes any prior oral understandings, written agreements, proposals, or other communications between JCI and Canutillo ISD. Any change or modification to this Agreement will not be effective unless made in writing. This written instrument must specifically indicate that it is an amendment, change, or modification to this Agreement.

This document represents the business intent of both parties and should be executed by the parties who would ultimately be signatory to a final agreement.

JOHNSON CONTROLS, INC.

Canutillo ISD

By: _____
Signature: _____
Title: _____
Date: _____

By: _____
Signature: _____
Title: _____
Date: _____



ATTACHMENT I

Scope of Work for Detailed Facilities Assessment

The following is scope of work for a detailed facilities assessment, which will involve engineering and estimating sufficient to obtain actual “go to contract” pricing.

The scope of work for this project shall be for the following facilities:

School	Square Footage
New Pre-K - * Campus	128,000

To generate the scope outlined herein we will undertake the following:

1. Review the proposed Project design and specifications for the proposed HVAC systems, DDC controls, lighting, and fire and safety systems, security including locking systems, and cameras.
2. Review the projects proposed costs for the proposed HVAC systems, DDC controls, lighting, water fixtures and fire and safety systems.
3. Develop alternative solutions for each system above, assess and identify improvement possibilities and associated costs.
4. Review LEED scorecard and interact with project team to provide recommendations for improving project Certification Levels and reducing costs of Certification.
5. Determine payback scenario using energy modeling for developing savings and provide cash flow analysis data to Canutillo ISD with different options for implementing the work.
6. In a workshop setting, JCI and Canutillo ISD will discuss:
 - a. International Protocol on measuring and verifying savings.
 - b. Variables we can control and monitor for both baseline and performance years.
 - c. Identify Measurement and Verification process; the right amount for the savings value.
 - d. Operations, maintenance and service.
 - e. Canutillo ISD and JCI division of work.
 - f. Construction coordination and project execution.
 - g. Financial Strategy.

Detailed Engineering, Energy Calculations and Firm Pricing

1. Collect data to Develop project baselines.
2. Establish engineering viability and installation logistics
3. Complete savings estimates for each FIM
4. Conduct a technical and economic feasibility analysis.
5. Perform a lifecycle cost analysis of each FIM
6. Mid-Point Project Review with Canutillo ISD: verify FIM’s for that support the project.
7. FIM’s are refined to a stage of 100% concept/30% design development to verify that the measure indeed meets the facility and financial requirements (MTC)

Johnson Controls, Inc
Building Efficiency
South Regional Office
3021 West Bend Drive
Irving, TX 75063
Tel 972-868-3600 Fax 972-869-9421



8. Create design and construction documents.
9. Initiate competitive pricing of components of the work
10. Identify subcontractors, review bids and select partners. Develop plan to manage simultaneous work throughout the project installation period..

JCI Affected Technologies (Minimum Scope)

1. HVAC system and required plumbing
2. Direct Digital Controls and Building Automation
3. Interior and exterior lighting systems

Additional Technologies to be considered (Project inclusion to be based upon financial feasibility)

4. Fire and safety monitoring systems
5. Camera and locking systems
6. Other technologies as determined by the Business Case

Project Coordination, Scheduling and Team Review

1. Investigate potential cost avoidance benefits for the District.
2. Complete the competitive bid process.
3. Finalize project costs and savings.
4. Generate final scope of work including baseline and Measurement / Verification procedures.
5. Organize a final project review/workshop.
6. Develop regular reporting schedule to District staff as to the construction schedule .