

Performance Contracting Background and Objective

Performance Contracting is:

- Self-Funded Building Improvement Projects
- Guaranteed Savings & Costs
- Includes Engineering, Installation, Project Management & Service Support
- Fast Track Completion of facility improvements (6 - 18 Months from signing of contract)
- Training and Consultation
- Performance Contracting has become a preferred solution for building improvements in municipalities across Michigan

Targeted Facility Improvements:

Heating Systems	Interior and Exterior Lighting Improvements
Ventilation Systems (indoor air quality)	Windows – Doors – Seals
Air Conditioning Systems	Water & Wastewater Infrastructure Improvements
Automated Temperature Controls	Fire Systems
Energy Management Systems	Windows – Doors – Seals
Technology Planning & Installation	Staff Training and Consultation
Security Planning	Alternative Financing Options

A Performance Contracting project will optimize the cost to benefit ratio of the Village's operational expense dollar, yielding the following benefits:

- Reduction in operating costs,
- Generating additional operational funds to assist with other improvements
- Future operating cost containment
- Improved leverage of energy dollars spent
- Enhanced environment comfort

Performance Contracting eliminates risk to the Village of Pinckney in two unique ways:

1. The installation price is fixed for the entire project when the contract is signed. The Village will not have to assume the risk that individual improvements may cost more than originally predicted. No cost overruns. The performance contracting vendor is a single point of contact assuming the liability, unlike traditional plan and spec. work where you will have one for each trade.
2. The projected utility savings and improved facility performance are guaranteed to occur. The contractual guarantee shifts performance risk to the performance contracting vendor. The performance contracting vendor is contractually obligated to reimburse the Village if the guaranteed energy savings are not realized over the life of the guarantee.

