

Johnson Controls, Inc.
Controls Group
1801 67th Avenue North
Minneapolis, MN 55430
Tel. 763/566 7650
FAX: 763/566 2208

JOHNSON
CONTROLS

Bonnie Hughes
Milo Barber Transportation Center
300 6th St
Rapid City SD 57701

August 5, 2003

*PREVIOUS
\$4,431.00*

31/0

SUBJECT: Maintenance Agreement Renewal
Contract #3105-7076

LF091003-07

Dear Ms. Hughes:

Your current Johnson Controls Planned Service Agreement has an anniversary date of September 1st, 2003. To facilitate continuity of these essential services without interruption, we are pleased to extend your existing agreement for the period of September 1st, 2003 through August 31st, 2004 for the annual sum of FOUR THOUSAND FIVE HUNDRED SIXTY-FOUR AND NO/100 (\$4,564.00) DOLLARS.

To summarize, your maintenance agreement offers the following coverage:

- Premium Coverage (SSV Labor & Material/Repair Material & Labor)
Air Conditioning
- Premium Coverage (SSV Labor & Material/Repair Material & Labor)
Pneumatic ATC
- Premium Coverage (SSV Labor & Material/Repair Material & Labor)
Heating Systems
- Premium Coverage (SSV Labor & Material/Repair Material & Labor)
Filters

Please accept the continuation of these essential services by signing in the appropriate place and returning a copy of this letter to us prior to your anniversary date. If possible please fax a copy of the signed letter to 1-800-575-5775.

Thank you for the confidence you have placed in Johnson Controls. If we can be of additional service, or should you have any questions, please contact me at 800-677-7650 Ext 5123.

Sincerely yours,

JOHNSON CONTROLS, INC.



Heidi L. Schwartz
Service Admin Specialist

ACCEPTED BY:

NAME: _____

TITLE: _____

DATE: _____

Schmidt Coleen

From: Robert.M.Devine@jci.com
Sent: Wednesday, August 27, 2003 9:39 AM
To: Coleen.schmidt@rcgov.org
Subject: JCI Service Contracts

Colleen,

Sorry this did not make it the first trip on 8/19/03, I had Colleen and not Coleen. We would really like to have these contracts renewed on time I'm in Rapid City now and will be here till Thursday and I can stop down to talk with you and Jim if needed about the contracts. I had a meeting with Gunar yesterday and he didn't know of any problems with the renews of the contracts.

You can reach me on my cell phone at 605-366-5775, I have a meeting with the Schools people at 10:30 this morning so I will be in the building and can stop by your office after the schools meeting if you would like, please leave me a voice mail if I do not answer the call.

Thanks
Bob Devine

----- Forwarded by Robert M Devine/NA/Johnson_Controls on 08/27/2003 10:27 AM -----

Robert M Devine
To: colleen.schmidt@rcgov.org
08/19/2003 03:42 PM cc:
Subject: JCI Service Contracts

Colleen,

Heidi Schwartz our service admin support person said she had talked to you concerning the service contract renewals for the City of Rapid City. She said you had asked her for the reason for the increase in the service contracts at the Energy Plant and Milo Barbar Building. The following is why we have increased the prices to the service contracts.

Our cost of doing business increases each year because of the following , insurance rates, vehicles leases, vehicle maintenance & operating cost and employee cost. We also have the risk of covering the repairs to the equipment at the Milo Barbar building under this contract which also adds to the cost as the equipment ages.

The total increase to the combined service contract is under 3% and this is lower than the increased cost to do business. The City of Rapid City is a very important customer and we do have monthly meetings with many of the city facilities to work at achieving common driven goals.

Let me know if this is the type of information you were looking for and if you have any other questions please give me a call at 605-362-5305.

Thanks You
Bob Devine
Service Operations Manager