

SIDE LETTER AGREEMENT

BETWEEN
THE CITY OF SAN JOSE
AND
THE ASSOCIATION OF ENGINEERS AND ARCHITECTS (AEA) IFPTE, LOCAL 21

Regional Wastewater Facility Staffing

To address staffing shortages at the Regional Wastewater Facility, Stantec began providing engineering and project management services in October 2013. The intention was for the contract to last only five (5) years while City staffing recovered, and the agreement was structured with the intention that consultant functions transition back to City staff.

Stantec committed to training programs and plans to transition the work back in-house by 2018. These transition plans have not come to full fruition. The Environmental Services Department (ESD) has transitioned several positions to City staff thus far, with the greatest strides in filling the Deputy Director, multiple Principal Engineer positions, and core programmatic level positions. However, despite numerous recruitment efforts over the years, the department has continued to have challenges in hiring Wastewater Facility Senior Engineers.

The City and IFPTE, Local 21 have agreed to the following principles, standards, and process for contracting-out and the services being provided through the Stantec Consulting Services Agreement:

- 1) The parties commit to delivering ESD's CIP projects with the highest quality and on time and on-budget.
- 2) The parties commit to use City staff to perform engineering, planning, architectural, construction management, program management, and project management work where feasible and practicable given the needs of the CIP and availability of appropriate City staff with necessary specialized expertise.
- 3) The parties agree that the plan is to phase out consultants and transition consultant positions to City staff.
- 4) The parties recognize that contracting out select CIP work may be necessary for the following reasons:
 - a) The City may contract-out specialized services for which City staff do not possess the necessary specialized skills or experience.
 - b) The City may contract-out to address temporary peak workloads. Temporary peak workloads are situations where City staff are capable of providing needed services, but sufficient staff are not available to meet project deadlines and the work is not forecasted to be sufficient to sustain the hiring of additional, qualified permanent employees without risk of layoff or displacement.

The parties further agree that over the life of this Stantec Consulting Services agreement, contracting of Wastewater Facility Senior Engineer work will not be expanded beyond functions provided by three

existing consultants. These consultants should be allowed to complete work on specific projects that they are currently working on, but not be moved to additional projects. Additionally, the priority will be to fill vacant Wastewater Facility Senior Engineer positions with City staff as soon as practicable. If these positions can be filled, the three remaining consultants in these roles will be transitioned to City staff by December 2026. If these positions cannot be filled, the use of consultants for any roles and specific projects may continue.

In order to intentionally ensure that all Stantec employees are transitioned out by 2026 and the vacant Wastewater Facility Senior Engineer positions can be filled within three years, the parties agree that they will hold ongoing discussions with labor groups as necessary, with a goal of quarterly, to discuss recruitment plans and development opportunities for existing staff.

This Agreement is considered part of the tentative agreement for a successor MOA between the parties. This Agreement shall become effective only as part of the overall tentative agreement for a successor MOA, when signed by all parties below, ratified by the union and approved by the City Council.

FOR THE CITY:

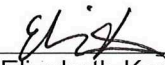
 8/15/2023

Jennifer Schembri Date
Director of Employee Relations
Director of Human Resources


 8/15/2023

Elsa Cordova Date
Assistant to the City Manager, OER

FOR THE UNION:

 8/15/23

Elizabeth Kamya Date
Business Representative
IFPTE, Local 21

 8/15/2023

Florin Lapustea Date
President, AEA