



Second Amendment to Program Management Agreement with Stantec

December 8, 2022
Treatment Plant Advisory Committee 5. B.

Capital Improvement Program



San José-
Santa Clara
Regional
Wastewater
Facility

Background

- Plant Master Plan (PMP) adopted in 2013
- PMP contained a \$2.1 billion, 30-year capital program to rebuild the RWF, over 100 projects
- To help deliver the largest CIP in the City, ESD entered a \$39M, five-year agreement for program management services with Stantec (formerly MWH Americas) in October 2013
- ESD amended the agreement in October 2017 for an additional five years and \$39M

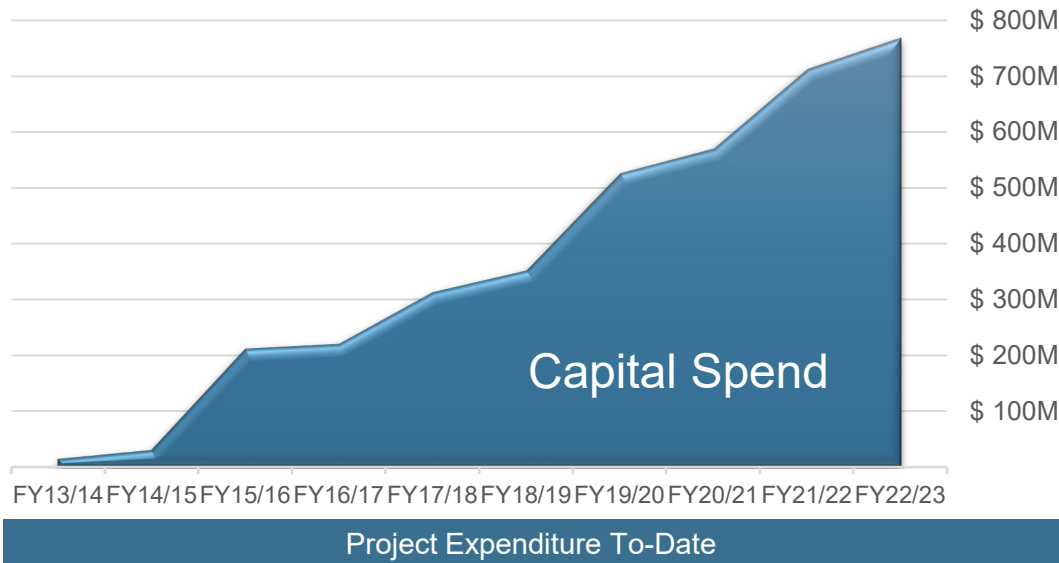
Program Management Consultant Role

- Provide wastewater program and project management expertise
- Develop program-specific processes and tools
- Provide focused input by subject matter experts
- Bring expertise that City staff do not possess
- Provide targeted coaching and mentoring
- Provide structured project management training
- Co-located integrated team approach
- Provide resources to meet CIP peak with plan to transition roles to City staff
- Alternative delivery knowledge

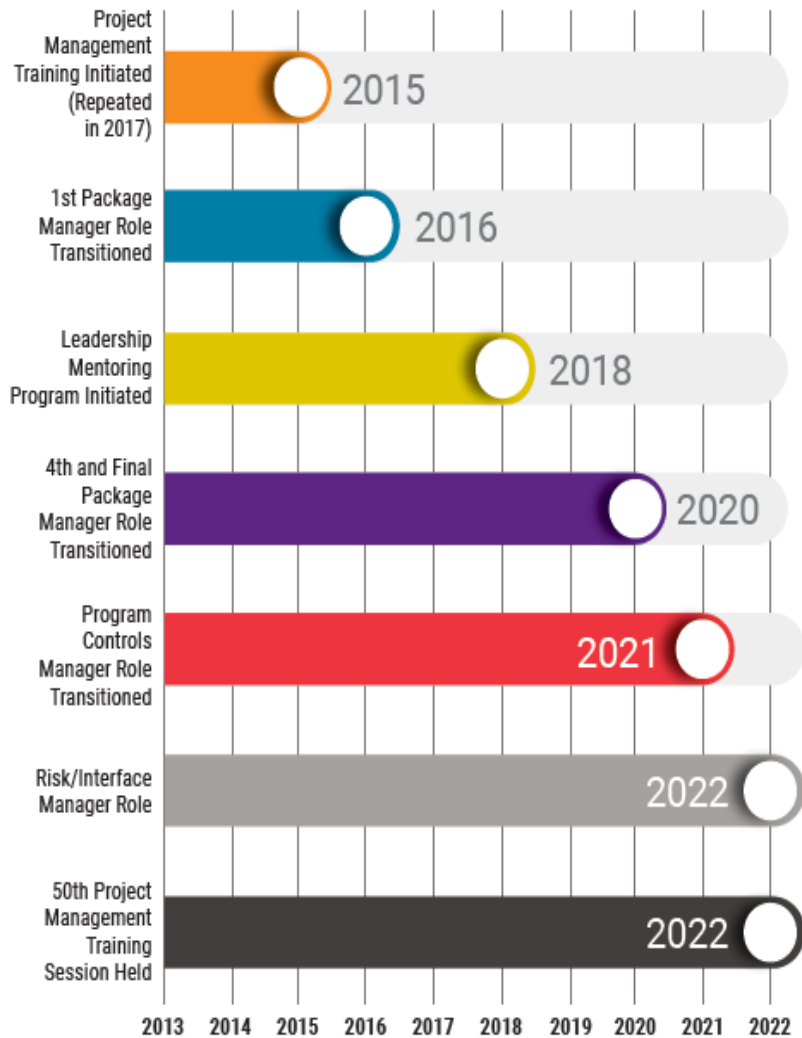
Accomplishments to Date



- 35 projects initiated
- 10 projects in construction
- \$800M capital commitments to-date
- 1.6 million construction hours worked
- Integrated team of 90+ people
- 164 stage gates held



Role and Knowledge Transition to City

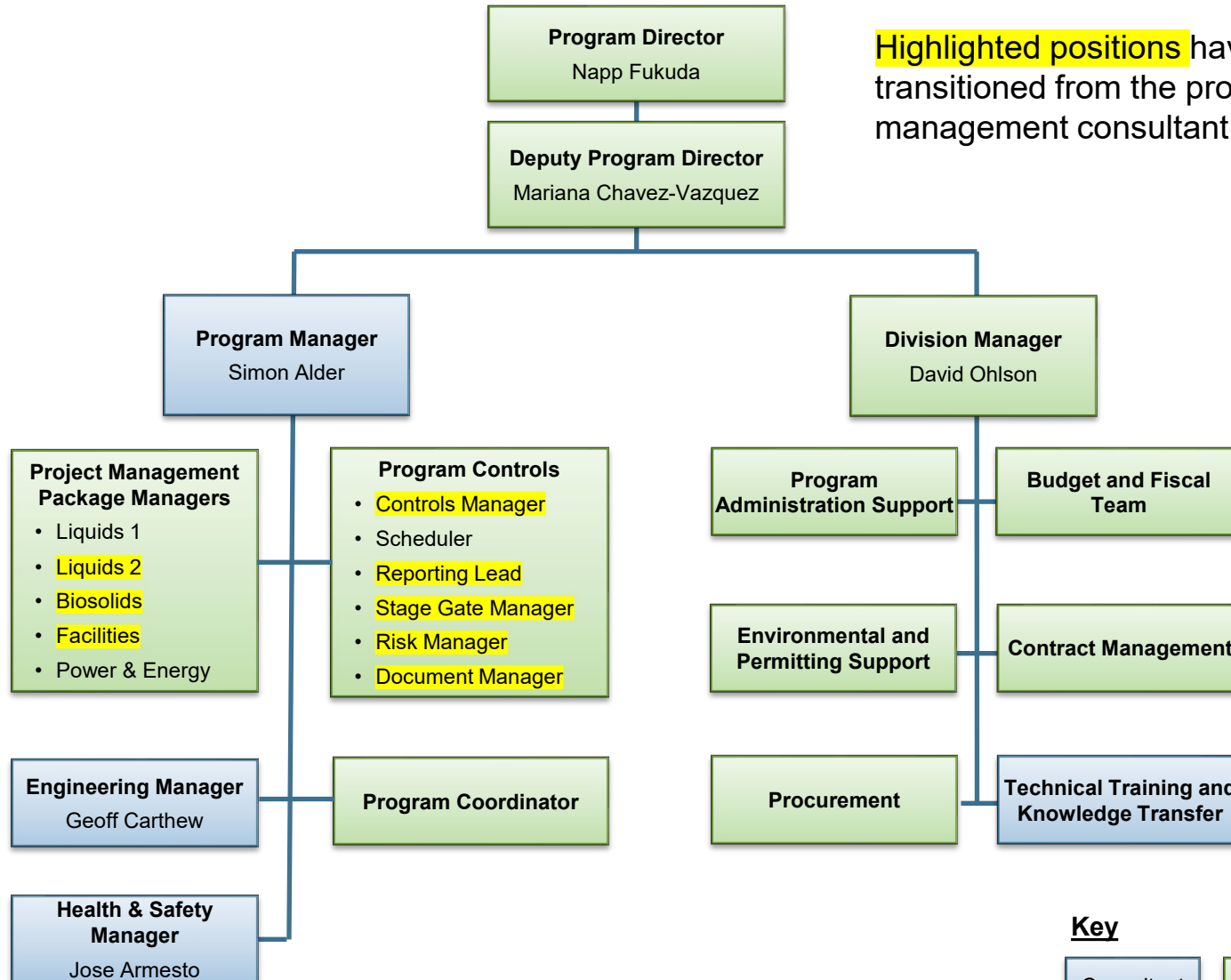


Role Transition and Training



Integrated Team Approach

CIP Organization



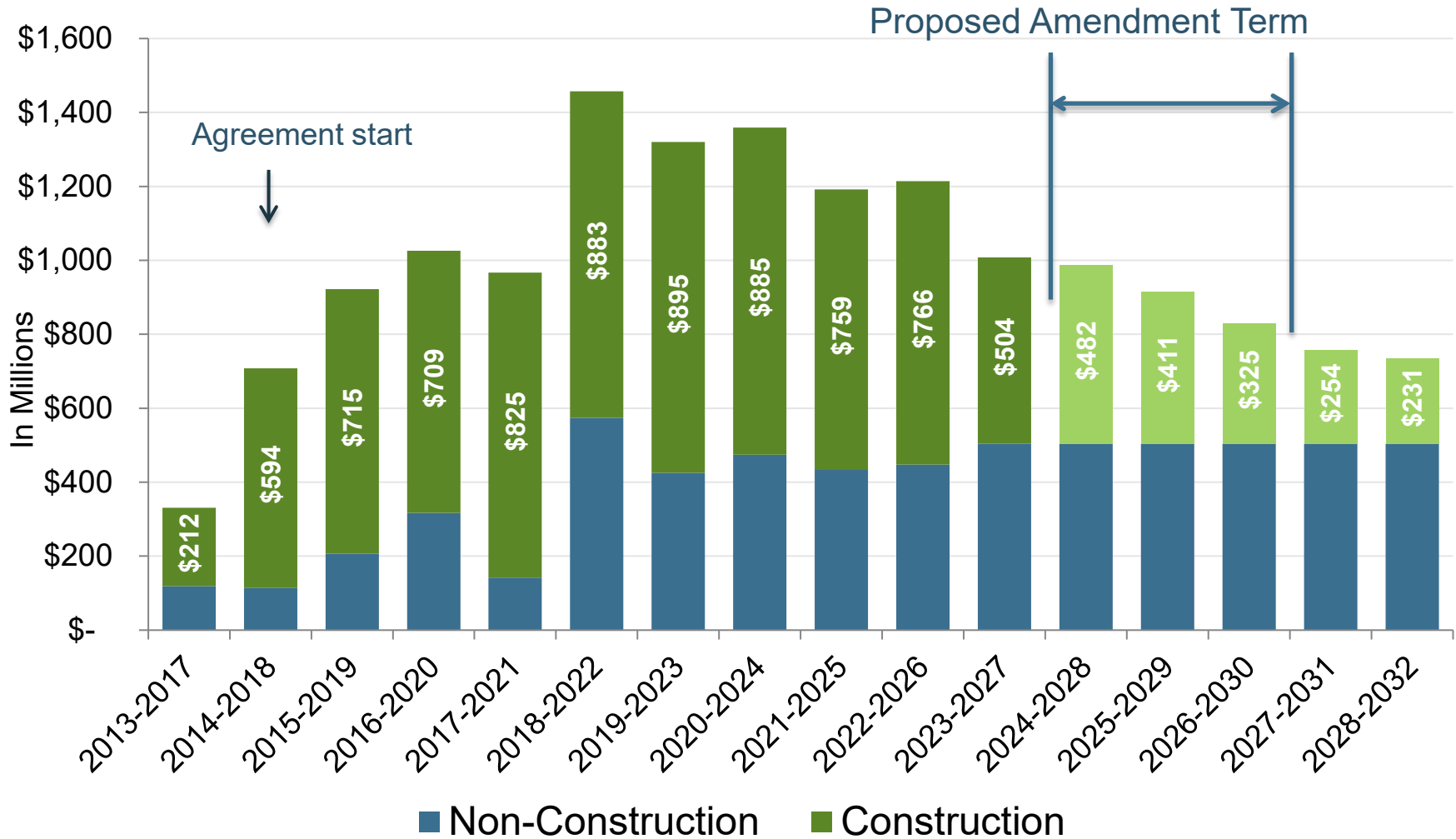
Highlighted positions have been transitioned from the program management consultant to City staff

Key

Consultant

City

CIP Budget History and Forecast



Reasons to Amend

- Stantec staff have institutional knowledge of RWF and projects
- Stantec staff have decades of relevant experience in program management, wastewater engineering, and health & safety
- New procurement would require 9-12 months and likely lengthy negotiations
- Onboarding a new consultant would require significant time and budget and potentially delay projects
- This amendment aligns Stantec's services with CIP's needs

Approach for Recommended Amendment

- Extend Agreement to June 2026, with two 1-year options
- Retain core Program Management Office positions (4 FTEs)
- Retain project managers on high complexity projects in construction (2 FTEs)
- Retain subject matter experts (as-needed)
- Total Amendment Not-to-Exceed (3 Years): \$14M + two additional option years (up to \$4M per year)

Recommendation

- Approve the second amendment to the Agreement with Stantec Consulting Services Inc. for program management services for the RWF CIP, increasing the not-to-exceed agreement amount from \$78,000,000 to a revised not-to-exceed agreement amount of \$92,000,000; and extending the term of the agreement from June 30, 2023 to June 30, 2026.
- Adopt a resolution authorizing the City Manager to exercise the City's option to extend the agreement for up to two additional one-year terms, with compensation for each additional one-year term not to exceed \$4,000,000, depending on Program needs and subject to the appropriation of funds.