

# Fifth Amendment to the As-Needed Engineering Technical Services Consultant Agreement with Stantec, Inc for the Pure Water Program

Public Utilities Department

Metro JPA  
August 1, 2024

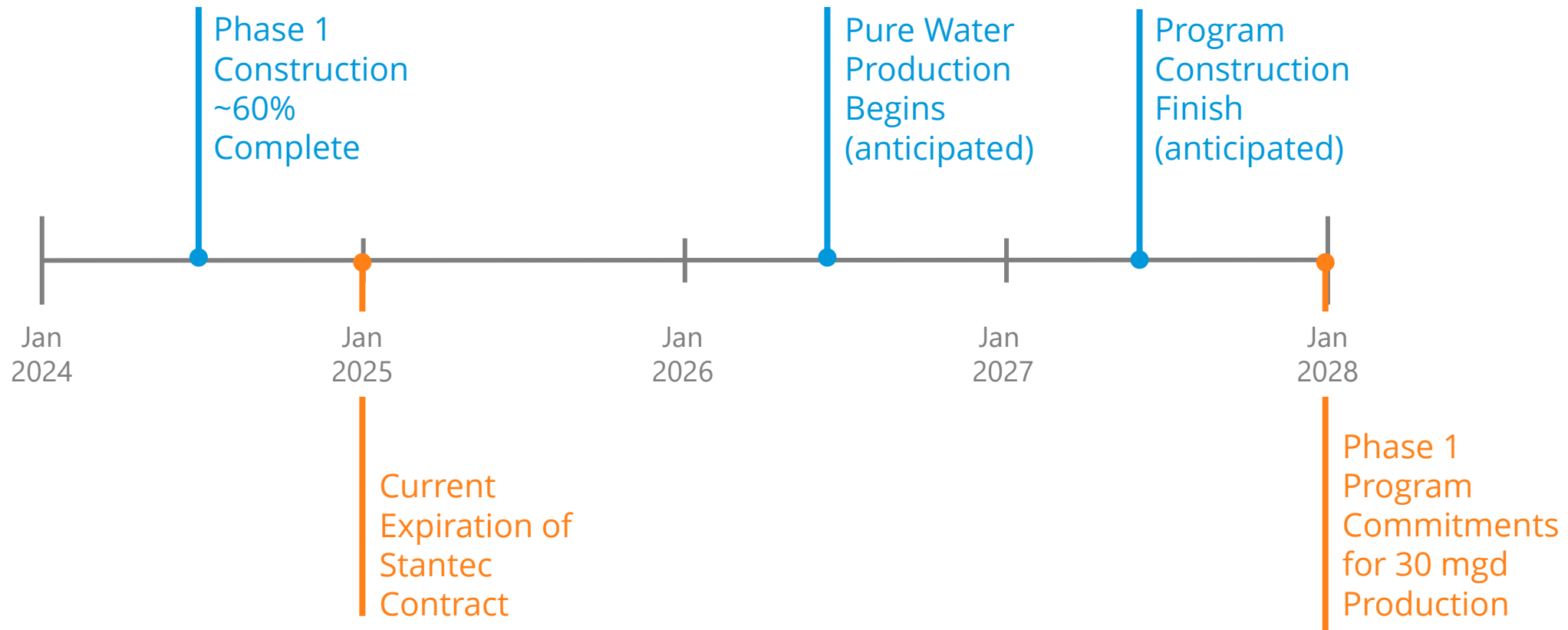




# Stantec Contract Terms

- Initiated: January 2015
- Expires: January 5, 2025
- Original authorization: \$30M
  - Amendment 1, October 2016: \$16.4M
  - Amendment 2, February 2019: \$10M
  - Amendment 3, November 2019: \$37.7M, 5 years
  - Amendment 4, May 2023: Administrative
- Current Contract Value: \$94.1M
- Requested Amendment 5: \$34M, 5 years
  - Estimated<sup>1</sup> JPA portion: \$4.3 million
- Proposed Total Contract Amount: \$128.1M

# Phase 1 Timing





# Stantec Contract Scope

- Program Administration and Controls
- Planning and Engineering Support
- Design Support
- Environmental Consultant Coordination
- Permitting and Regulatory Support
- Public Education and Stakeholder Engagement

# Stantec Contract: Proposed Amendment

- Continued Program Management, Financial, and Outreach Support (\$17.7M)
  - Program management, including program controls, project management, engineering support
  - Financial support, including loan reimbursement document preparation
  - Continued outreach services
- Continued Regulatory Support and Operations Plans (\$3M)
  - Regulatory coordination for startup, commissioning, and approval
  - Required regulatory documents such as Operations Plan, Operational Ramp-Up Plan, Joint Plan finalization





Photo by MrGALL

# Stantec Contract: Proposed Amendment

- **Additional Technical Studies (\$8.3M)**
  - [Miramar readiness and Miramar Reservoir modeling / tracer study](#)
  - [North City Water Reclamation Plant O&M staff support and asset management assistance](#)
  - [Technical and operations support during partial flow and full flow commissioning](#)
- **COMNET Support (\$5M)**
  - [Evaluation of new monitoring and controls system integration into existing systems and assistance with enterprise-wide control strategies](#)

# Stantec Contract: Amendment Estimates

Category	Total Estimate	Water Estimate (62%)	Metro Estimate (38%)	PA Estimate (~1/3 of Metro)
Program Management, Outreach, Financial	\$17.7 M	\$11.15 M	\$6.73 M	\$2.25 M
Regulatory Support	\$3 M	\$1.86 M	\$1.14 M	\$382k
Technical Studies	\$8.3 M	\$5.15 M	\$3.15 M	\$1.1 M
COMNET Support	\$5 M	\$3.1 M	\$1.9 M	\$636k
<b>Total</b>	<b>\$34 M</b>	<b>\$21.1 M</b>	<b>\$12.9 M</b>	<b>\$4.3 M</b>



# Stantec Contract: Unique Program Support

- Phase 2 Preparation Planning and Demonstration Plant Design
- Industrial Pretreatment Local Limits Studies
- Expanded Regulatory Support
- COMNET Implementation



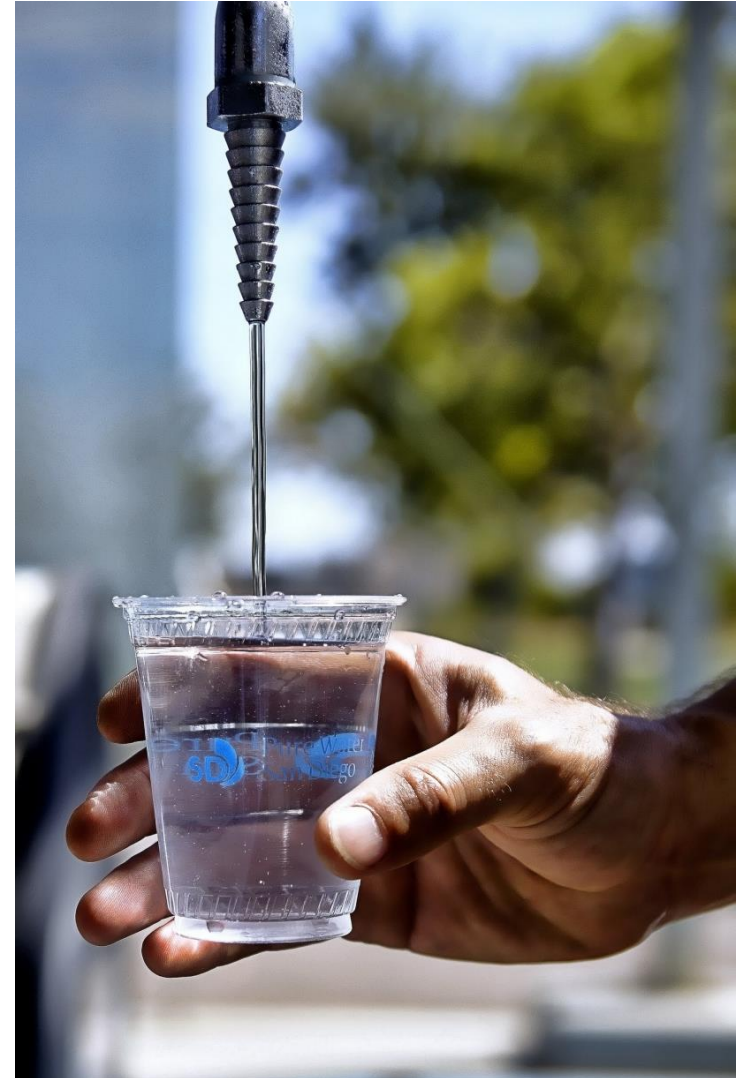
# Stantec Contract: Amendment Benefits

- Maintains program management continuity through Phase 1 completion
- Supports the City with the critical start-up and commissioning tasks
- Ensures continued regulatory coordination through final approvals



# Subconsultant Participation

- **Stantec Contract Actual Participation**
  - Total Small/Emerging Local Business Enterprise (S/ELBE) Participation = 22.2%
  - Total Certified Participation = 28.7%
  - Total Subconsultants = 65.5%



Data as of 05/15/2024

# Stantec Contract: Amendment Breakdown

Total Requested Amendment:	\$34M
Total Contract Value (w Amendment):	\$128.1M*

*\*Consistent with CMAA Median for PMCM Services: Utility Design-Bid-Build Programs*



## Requested Actions:

- ✓ 1. Authorization to execute the Fifth Amendment to the Agreement with Stantec, Inc., for As-Needed Engineering Technical Services for an amount not-to-exceed \$34,000,000, increasing the total not-to-exceed amount of the Agreement to \$128,100,000, and extending the contract term an additional five years
- ✓ 2. Authorization to expend an amount not-to-exceed \$128,100,000 in total over the term of this Agreement from Water Utility Operating Fund (700011), Water Utility CIP Fund (700010), Metro Sewer Operating Fund (700001), and Metro Sewer CIP Fund (700009)



**METRO JPA/TAC**  
**Staff Report**  
**Date: 6/10/2024**

**Project Title:**

Pure Water – Fifth amendment to the As-Needed Engineering Technical Services Consultant agreement with Stantec, Inc for the Pure Water Program (H156303)

**Presenter(s) Name:**

Andrea Demich

**Presenter(s) Title:**

Assistant Deputy Director

**Requested Action:**

1. Authorization to execute the Fifth Amendment to the Agreement with Stantec, Inc., for As-Needed Engineering Technical Services for an amount not-to-exceed \$34,000,000, increasing the total not-to-exceed amount of the Agreement to \$128,100,000, and extending the contract term an additional five years; and
2. Authorization to expend an amount not-to-exceed \$128,100,000.00 in total over the term of this Agreement from Fund 700011, Water Utility Operating, Fund 700010, Water Utility CIP, Fund 700001, Metro Sewer Utility, and Fund 700009, Metro Sewer CIP, for the purpose of funding the As-Needed Engineering Technical Services Agreement with Stantec Consulting Services, Inc.

**Recommendations:**

Approve actions

Metro TAC:	Approve the subject item and forward to Metro JPA/ Metro Commission for approval
IROC:	N/A
Prior Actions: (Committee/Commission, Date, Result)	N/A

**Fiscal Impact:**

Is this projected budgeted?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Cost breakdown between Metro & Muni:	Cost breakdown will be assessed as tasks are opened. General tasks will be split 62% Water, 38% Metro, 0% Muni.
Fiscal impact to the Metro JPA:	Pure Water Phase 1: 33.5% of Metro cost

**Capital Improvement Program:**

New Project?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A <input type="checkbox"/>
Existing Project?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Upgrade/addition <input checked="" type="checkbox"/> Change <input type="checkbox"/>

**Previous TAC/JPA Action:**

Third Amendment to the Agreement with Stantec, Fall 2019

**Additional/Future Action:**

Present item to Metro JPA/ Metro Commission in August 2024

**City Council Action:**

Environment Committee 6/20/2024; City Council approval expected in July 2024

**Background:** *Provide background information on the need for the project*

Pure Water is the City's Program to provide a safe, secure, and sustainable local drinking water supply for San Diego. Broken into two phases, Phase 1 is located in the northern part of the City and will utilize Miramar

Reservoir and Miramar Water Treatment Plant for implementation. This contract, which supports Phase 1, will provide 30 mgd of locally produced drinking water when fully executed.

The Public Utilities Department utilizes the As-Needed Technical Services agreement with Stantec, Inc. (formerly Montgomery Watson Harza Americas, Inc.) for specialized technical services to support the Pure Water Program Implementation. The services generally relate to planning, design, engineering, regulatory, and program management support.

The original agreement was approved by City Council on December 9, 2014, via Resolution No. R-309350. The agreement was issued on January 8, 2015, for an amount not-to-exceed \$30,000,000, for a term of five years. The First Amendment was approved by City Council on October 25, 2016 and increased the contract amount to \$46,400,000. The Second Amendment was approved by City Council on February 12, 2019 and increased the contract amount to \$56,400,000. The Third Amendment received final approval for an Ordinance by City Council on November 5, 2019, increased the contract amount to \$94,100,000 and extended the contract an additional five years through January 5, 2025. The Fourth Amendment did not need City Council approval and was awarded on May 24, 2023 to incorporate administrative updates, including the Assent Letter for the Project Labor Agreement for Construction of Pure Water Program Phase 1 Projects.

The construction of Pure Water Phase 1 is currently estimated to be 50% complete. Pure Water production is still anticipated to begin in 2026, and overall construction of Phase 1 to be done in 2027. The City's current contract with Stantec will expire prior to both of these milestones. This action proposes to extend the agreement with Stantec, Inc. by five years through the completion of Phase 1 and increase the contract amount by \$34,000,000. The proposed Fifth Amendment covers the following:

<u>Task</u>	<u>Estimated Cost</u>
Continued Program Management, Financial, and Outreach Support	\$17,700,000
Continued Regulatory Support and Operations Plans	\$3,000,000
Additional Technical Studies	\$8,300,000
COMNET Support	\$5,000,000
TOTAL	\$34,000,000

*Continued Program Management, Financial, and Outreach Support*

The \$17.7 million for program management, financial, and outreach supports will extend Stantec's existing support from January 5, 2025 for another five years. This is a continuation of the same support services Stantec is currently providing. No changes are being made except the addition of time.

*Continued Regulatory Support and Operations Plans*

The additional regulatory support will benefit the City as we continue to negotiate start up and commissioning activities and timelines with regulators. Further, the operations plans for how multiple facilities will be operated and staffed are still under review with various regulators. Because Pure Water Phase 1 is the first surface water augmentation project in the State of California, not all requirements for operating the system have been finalized by regulators, and the City, with the support of Stantec, will continue discussion until this has been accomplished.

*Additional Technical Studies*

The regulators and the City are creating the template for implementing the first project under the State's new regulations. With access to Stantec's broad and deep expertise, the City has been able to respond to the full range of technical questions that have arisen on the program thus far. The \$8.3 million reserved for additional technical studies in this amendment will carry the City through the end of construction and beginning of full-scale operations of Pure Water Phase 1. This includes technical support to ensure the operation of Miramar Water Treatment Plant (MWTP) is optimized to receive the new Pure Water supply; additional modeling of Miramar Reservoir to answer questions from regulators regarding dilution values; assistance to North City Water Reclamation Plant (NCWRP) staff with asset management; and technical and operations support for staff at MWTP, NCWRP, and Point Loma Wastewater Treatment Plant during commissioning and the first part of Pure Water Phase 1 operations.

*COMNET Support*

The \$5 million for COMNET (the City's control system to support operational needs of the wastewater system) support is to assist staff in connecting new controls systems to existing systems. All major Pure Water facilities

have systems that allow certain parts to be monitored and controlled from a central location. The number of new facilities being connected at once, in conjunction with the hands-on assistance needed by multiple construction contractors, exceeds staff availability and Stantec is augmenting City staff where possible.

The Public Utilities Department will continue to provide regular updates on the progress of Pure Water's implementation. Updates will cover both Phase 1 construction and Phase 2 validation. City Council recently approved the separate contract with Stantec, Inc. for As-Needed Engineering Technical Services for Phase 2, and validation activities will begin as soon as the award process concludes.

**Discussion:** *Provide information on decisions made to advance the project*

**Bid Results:** *If bidding was done provide bidding format and results*  
N/A