

1 [Professional Services Agreement - HDR Stantec JV - Program Management Consulting
2 Services for Water Enterprise - Not to Exceed \$80,000,000]

3 **Resolution approving and authorizing the General Manager of the San Francisco Public**
4 **Utilities Commission to execute Contract No. PRO.0205, Water Capital Program**
5 **Management Contract with HDR Stantec JV, to provide program management**
6 **consulting services to support delivery of the Water Enterprise and Hetch Hetchy**
7 **Water Capital Improvement Programs and the Water System Improvement Program, for**
8 **an amount not to exceed \$80,000,000 and with a duration of 10 years, with an**
9 **anticipated timeframe from April 2025 through March 2035, pursuant to Charter,**
10 **Section 9.118.**

11
12 WHEREAS, On February 13, 2024, by Resolution No. 24-0032, the San Francisco
13 Public Utilities Commission (SFPUC) adopted the 10-Year Capital Plan FY2024-25 through
14 FY2033-34, which includes the Water Enterprise Capital Plan and the Hetch Hetchy Water
15 Capital Plan with cumulative 10-year budgets of \$2,954,803,945 and \$1,533,671,239,
16 respectively; and

17 WHEREAS, To support the Water Enterprise and Infrastructure Division of the SFPUC
18 to successfully deliver the projects within these capital plans, as well as remaining projects
19 under the Water System Improvement Program, the SFPUC requires the guidance and
20 expertise of a program management consultant team to provide programmatic support
21 services; and

22 WHEREAS, The SFPUC does not currently have a program management services
23 contract for the water capital programs; and

1 WHEREAS, On June 27, 2024, the SFPUC issued a Request for Proposals for
2 program management consulting services; and

3 WHEREAS, The SFPUC and Contract Management Division (CMD), upon review of
4 the proposal scores, determined that HDR Stantec JV was the highest-ranked firm based on
5 the established scoring criteria; and

6 WHEREAS, The CMD established a 15% Local Business Enterprise (LBE)
7 subconsultant participation requirement for this contract and HDR Stantec JV committed to an
8 LBE subconsultant participation of 20.83%; and

9 WHEREAS, The objective of the contract is to optimize capital project delivery
10 processes in order to increase the successful completion of high-quality projects within
11 approved scope, schedule, and budget; and

12 WHEREAS, The SFPUC seeks support for enhanced project planning, management,
13 and oversight to facilitate cost efficiencies through on-time project delivery, potentially saving
14 ratepayers millions of dollars in delay-related escalation costs on current and future projects,
15 and providing higher confidence in project quality; and

16 WHEREAS, Delivering programs of this magnitude requires continuous programmatic
17 review and quality management to ensure best practices, response to emerging regulatory
18 requirements, and technological developments are implemented proficiently; and

19 WHEREAS, The program management consultant team is needed to support project
20 planning requiring highly specialized expertise, including planning for several of the SFPUC's
21 alternative water supply projects; and

22 WHEREAS, In addition to strategic planning and expertise, the program management
23 consultant will review existing tools and processes and recommend improvements to enhance
24 the SFPUC's capabilities as well as bring in the latest technologies, staff training, resilience
25

1 and sustainability practices, and additional support for labor workforce and community
2 benefits programs; and

3 WHEREAS, While the SFPUC's Water Enterprise and Infrastructure Division have built
4 strong capital planning and implementation practices and procedures, projects frequently
5 experience delays and cost increases for a variety of reasons; and

6 WHEREAS, Without a program management contract, the Water Enterprise capital
7 projects may continue to experience delays and may not provide the maximum benefit
8 intended from the newly constructed assets; and

9 WHEREAS, Delays to replacing the critical aging infrastructure could result in
10 increased frequency and severity of failure of assets, interrupting critical water or power
11 supply to customers for potentially long periods of time; and

12 WHEREAS, On December 10, 2024, by Resolution No. 24-0248, the SFPUC awarded
13 Contract No. PRO.0205, Water Capital Program Management Contract (the Contract), to
14 HDR Stantec JV, for an amount not to exceed \$80,000,000 and with a term of 10 years, to
15 provide program management consulting services to support delivery of the Water Enterprise
16 and Hetch Hetchy Water Capital Improvement Programs and the Water System Improvement
17 Program, subject to Board of Supervisors' approval under Charter, Section 9.118; and

18 WHEREAS, Charter, Section 9.118(b) requires Board of Supervisors' approval by
19 Resolution of any contract which, when entered into, extends over 10 years, and of any
20 contract which, when entered into, costs the City \$10,000,000 or more; and

21 WHEREAS, The amount and term of the Contract represent less than two percent of
22 the total water capital program cost, and the amount and term are in line with industry
23 standards and best practices for program management support, and similar to amounts and
24 durations for program management contracts used in the past for the Water System
25 Improvement Program and Wastewater Capital Program; and

1 WHEREAS, The amount of \$80,000,000 was estimated based on various potential
2 program and project support task orders that will be needed over the next 10 years and it is
3 envisioned that processes and skills developed under this contract will be continuously
4 transferred to City staff as new contract needs emerge; and

5 WHEREAS, The Contract services are requested for 10 continuous years in order to
6 provide continuity and consistency of support since most capital projects have durations of 7-
7 15 years; and

8 WHEREAS, Funds for the Contract will be available from Project Nos. 10041697 -
9 Local Water Program Management, 10041729 - Regional Water Program Management,
10 Hetch Hetchy Project Development projects, and individual projects within the Water
11 Enterprise and Hetch Hetchy Water Capital Improvement Programs; and

12 WHEREAS, The proposed Contract contained in File No. 250020, is substantially in
13 final form, with all material terms and conditions included, and only remains to be executed by
14 all parties upon approval of this Resolution; now, therefore, be it

15 RESOLVED, That this Board of Supervisors hereby authorizes the General Manager of
16 the SFPUC to execute Contract No. PRO.0205, Water Capital Program Management
17 Contract with HDR Stantec JV, to provide program management consulting services to
18 support delivery of the Water Enterprise and Hetch Hetchy Water Capital Improvement
19 Programs and the Water System Improvement Program, for an amount not to exceed
20 \$80,000,000 and with a duration of 10 years, from approximately April 2025, through March
21 2035; and, be it

22 FURTHER RESOLVED, That within 30 days of the Contract being fully executed by all
23 parties, the SFPUC shall provide signed copies of the Contract to the Clerk of the Board for
24 inclusion in the official file.



City and County of San Francisco

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

Tails
Resolution

File Number: 250020

Date Passed: February 11, 2025

Resolution approving and authorizing the General Manager of the San Francisco Public Utilities Commission to execute Contract No. PRO.0205, Water Capital Program Management Contract with HDR Stantec JV, to provide program management consulting services to support delivery of the Water Enterprise and Hetch Hetchy Water Capital Improvement Programs and the Water System Improvement Program, for an amount not to exceed \$80,000,000 and with a duration of 10 years, with an anticipated timeframe from April 2025 through March 2035, pursuant to Charter, Section 9.118.

February 05, 2025 Budget and Finance Committee - RECOMMENDED

February 11, 2025 Board of Supervisors - ADOPTED

Ayes: 11 - Chan, Chen, Dorsey, Engardio, Fielder, Mahmood, Mandelman, Melgar, Sauter, Sherrill and Walton

File No. 250020

I hereby certify that the foregoing Resolution was ADOPTED on 2/11/2025 by the Board of Supervisors of the City and County of San Francisco.

Handwritten signature of Angela Calvillo
Angela Calvillo
Clerk of the Board

Handwritten signature of Daniel Lurie
Daniel Lurie
Mayor

Handwritten date 2.21.25
Date Approved