



TO: Tina N. Yoke
Chief Operating Officer
Administrative Services

FROM: Charlene Sun, Project Manager
Treasury, Debt, and Grants
Management Unit

SUBJECT: Justification Memo to Amend the
initial Single-Source Justification
for Exception from the
Competitive Procurement
Process request regarding the
Consultant Agreement with Stantec
Consulting Services (Consultant)
(A4482G-CAS 5222) to provide
funding support for Water
Infrastructure Finance and
Innovation Act (WIFIA)

DATE: September 2, 2022

The purpose of this justification memo is to request approval to amend the single-source Justification for Exception from the Competitive Procurement Process request which was initially approved on May 31, 2021. Upon approval of this memo to amend the single-source request, the Finance team will proceed with approval and execution by the Board of Directors of Amendment No. 1 to the consultant agreement with Stantec Consulting Services A4482G (Consultant). The Consultant is currently providing professional funding support services for Valley Water's efforts to compete for low-cost loans through Water Infrastructure Finance and Innovation Act (WIFIA) programs administered by the Environmental Protection Agency (EPA) and U.S. Army Corps of Engineers (USACE), as well as other Federal and State loan and grant funding programs. Amendment No. 1 to the consultant agreement will increase the not-to-exceed amount for the Agreement from \$224,852 by \$1,275,148 to \$1,500,000 and extend its term from April 1, 2024 to December 31, 2027, with two optional two-year renewals.

Executive Summary

Valley Water executed the initial consultant agreement as a single source with Stantec Consulting Services (Consultant) in June 2021, which was retroactively effective on April 1, 2022, to assist with the research, preparation and submission of the WIFIA Letters of Interest (LOI) and loan applications for the Safe, Clean Water Program and Pacheco and Anderson projects. A single-source Justification for Exception from the Competitive Procurement Process was approved by the Procurement Board Authorized Officer (BAO) on May 31, 2021.

The Consultant has a proven track record of successfully leading the WIFIA application process for Valley Water as well as other public agencies across the country and has greatly assisted Valley water's efforts in securing WIFIA loans. Staff recommends Board approval of the single source contract amendment with the Consultant to ensure proper resources are in place to implement the WIFIA Loan Program which is time-sensitive. The Consultant is already familiar with Valley Water's project financing and processes and the proposed hourly rates are in-line with other professional services procured by the Financial Planning Division on a competitive basis.

Staff recommends amending the consultant agreement with the Consultant as a single source for this agreement amendment in accordance with Executive Limitation (EL) 5.3 based on its project team's qualifications and expertise, and its knowledge of Valley Water's finances and project needs. Valley Water requires the services of a qualified consultant with both prior experience in preparing applications for WIFIA loans and also with assisting clients in ongoing WIFIA program compliance. To date, the Consultant has assisted more than a dozen borrowers secure WIFIA loans, totaling over \$2 billion in

cc: Contract Analyst, Alicia Fraumeni




WIFIA credit assistance. The Consultant has set up several WIFIA compliance systems and actively assists borrowers with WIFIA loan administration and federal cross-cutter compliance. The Consultant's good work and in-depth familiarity with Valley Water's projects and financing make it uniquely well qualified to provide these services.

The Finance team is targeting to go to the Board to approve up to \$165M in WIFIA Loan for the Safe, Clean Water Program and \$2.5B for the Pacheco/Anderson projects on October 25, 2022. Execution of the related WIFIA loan agreements and implementation of the compliance program would follow in November 2022. Time is of the essence to extend the consultant contract so that the appropriate resources are immediately available to ensure Valley Water can meet all WIFIA loan federal compliance requirements.


Attachments:

Attachment 1: Initial Single-source Justification for Exception from the Competitive Procurement Process, approved May 31, 2021

DocuSigned by:

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Charlene Sun, Project Manager
Treasury, Debt, and Grants Management Unit

Approved by BAO Procurement Designee:

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Tina N. Yoke
Chief Operating Officer
Administrative Services

9/2/2022

Date