



Management, Operations, and Maintenance of the Wilmington Wastewater Treatment and Resource Recovery Facility and Associated Infrastructure

March 12, 2020

JACOBS[®]

Agenda

- ✓ **Review of Procurement**
- ✓ **Award and Negotiation**
- ✓ **Jacobs Background/Qualifications**
- ✓ **Contract Term and Scope**
- ✓ **Q&A**





Procurement Review

Basis for this contract

- The WWTP and associated assets have been contracted in a public-private partnership model since 1997
 - Expanded in early 2000s to include Combined Sewer Overflow (CSO) system
- The City invested in the development of a energy and biosolids facility with Honeywell in 2012
- The City seeks to have a qualified private operator continue the management, operation and maintenance of city-owned major wastewater treatment and energy generation facilities under a single contract
 - Single contract approach to maximize benefits of investments to the City

Timeline of Procurement

- Request for Qualifications (RFQ) sent to bidders on February 4, 2019
- Responses received on March 28, 2019
 - Five responses received
- Short-Listed to Three Companies to provide proposals for project:
 - Jacobs/OMI
 - Veolia
 - Suez
- Request for Proposals (RFP) issued July 12, 2019
- Proposals submitted on September 30, 2019
 - Jacobs/OMI
 - Veolia
 - Suez notified the City via letter electing not to participate



Award and Negotiation

Evaluation of Bids

- Bids were evaluated on the following key attributes:
 - Technical Approach
 - Value to City
 - Risk transfer between City and Company for Asset Replacement
 - Operating Cost Bid
 - Interview
- Interviews held on October 16 and October 24, 2019
- Interview team included :
 - Kelly A. Williams – Commissioner of Public Works
 - Vincent R. Carroccia – Deputy Commissioner of Public Works
 - Bryan Lennon – Assistant Water Division Director
 - Brett Taylor – Finance Director
 - Marlaine White – Assistant City Solicitor
 - Manny A. Parada, PE – Consulting Engineer for Public Works
 - Also advisors to the City participated in the interview process

Evaluation of Bids (con't)

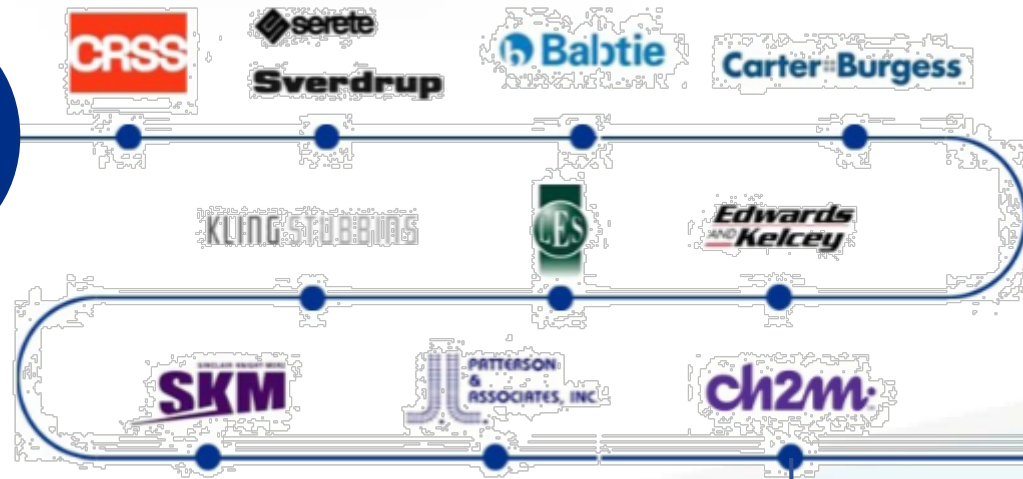
- Dept. of Public Works evaluation team ranked Jacobs No. 1 and notified both bidders on December 13, 2019 and began negotiations
 - Extensive involvement from leadership in Public Works and Law, supplemented by outside counsel
- Agreement reached between Jacobs and City of Wilmington on February 7, 2020



Jacobs Background and Qualifications

Who is Jacobs? – Our History

Jacobs
founded in 1947



2017
Jacobs
Acquires
CH2M

CH2M
founded in 1946

OMI
founded in 1980
(subsidiary of CH2M)

Jacobs

Who is Jacobs? – By the Numbers

BY THE NUMBERS

52K+

TOTAL EMPLOYEES

40+

COUNTRIES

\$13B

FY19 REVENUE

30K

EMPLOYEES
IN NORTH AMERICA

400

OFFICES

J

NYSE
PUBLICALLY TRADED

**FORTUNE
200**

COMPANY

**2019 ENR
Ranking**

**No. 1 WASTEWATER
TREATMENT PLANT**
No. 1 SEWER & WASTE
**No. 1 SANITARY &
STORM SEWERS**



GLOBAL
WATER
AWARDS

Water Company
of the Year



JACOBS IN THE WATER MARKET

- MARKET LEADER IN WATER-RELATED SOLUTIONS ACROSS THE GLOBE
- HELPS CLIENTS SOLVE MOST CHALLENGING ISSUES
- LOCAL PRESENCE WITH GLOBAL EXPERTISE IN CHOSEN GEOGRAPHIES
- AWARD-WINNING/ICONIC WATER PROJECTS
- WORK WITH MANY LARGE PUBLIC AND PRIVATE UTILITIES IN US AND ABROAD
- DELIVER FULL-SERVICE SOLUTIONS: DESIGN/BUILD; DESIGN/BUILD/OPERATE

Jacobs is a US-based company that applies global resources to solve local challenges

300+
projects

treating **1.1B** gallons
of **water and wastewater** every day

with a **100%**
contract renewal
rate in 2018



● Long-term O&M and Facilities Management Contracts

Jacobs sets the benchmark for excellence



Commitment to the environment



Taking care of clients



Integrity and honesty



Delivering great work

>99.98%

Jacobs' Environmental Compliance Record is one of Best in the Industry



>20 YEARS OF
EXCEPTIONAL ENVIRONMENTAL COMPLIANCE

100%

Contract Renewal Rate

2018



EXCELLENT SERVICE RESULTS IN **LOW CONTRACT TURNOVER**

FOR 9 YEARS

Ranked by Ethisphere as one of the World's Most Ethical Companies



A PARTNER COMMITTED TO **TRANSPARENCY AND ETHICS**

2019

Engineering News-Record

#1 Wastewater Firm

LEADING THE WAY IN **WATER AND WASTEWATER ENGINEERING**

Key Jacobs Leadership Team Committed to Wilmington



Sharon Jean-Baptiste
*Client Relationship
Director*



Steve Meininger, PE
Business Unit President



**Kevin Dahl, PE,
CMRT,**
*Regional Director of
Operations*



Dennis Burrell
*Transition and
Project Manager*



Joe Nattress, PE
Program Director

Jacobs' Commitment to the Wilmington community

Building on our history of community involvement in Wilmington



Jacobs team members join forces with the mayor during the spring cleanup at Kirkwood Park during the 2019 Wilmington Community Cleanup Day!



For the past 13 years, Jacobs staff have donated to underprivileged youth with the Bikes for Kids Initiative, with over 400 bikes provided in that period.

Jacobs makes a positive impact in communities we serve

Community Building Sponsorship and Support



West Chicago Schools Filtered Water Bottle Filling Stations



Lambton Shores Community Gardens & Donations for the Disabled



Drinking Fountain Honoring Beloved Community Leader



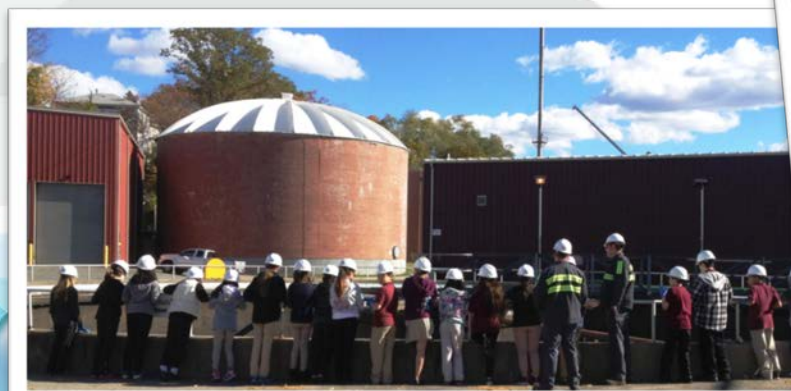
RAGBRAI Community Ride Volunteers

Jacobs makes a positive impact in communities we serve

STEM Education and Local School Engagement



Lehigh County Hydromania



Elementary STEM at Woonsocket



Kindergarten Day at Carol Stream

Local Environmental Stewardship



Carol Stream Earth Day Events



Annual Bird House Building Sponsored by WTUA













Hands-on Clean Water Education by Jacobs staff at Riverfest

Jacobs' commitment to diversity starts at the top

- 2020 Women on Boards honored Jacobs for commitment to Board diversity:
 - Board of Directors: 30% women
 - Ultimately achieved overall Board diversity of 40%
- Executive team diversity: 75%
 - Six of eight positions held by women or people of color



Meet our board / Board committees & charters / Contact our board / Corporate governance documents

 <p>Steven J. Demetriou Director since 2015 Chair and CEO</p>	 <p>Christopher M.T. Thompson Director since 2012 Lead Independent Director</p>	 <p>Joseph R. Bronson Director since 2003 Independent</p>
 <p>Robert C. Davidson, Jr. Director since 2001 Independent</p>	 <p>Ralph Edward ("Ed") Eberhart Director since 2012 Independent</p>	 <p>Georgette D. Kiser Director since 2019 Independent</p>
 <p>Linda Fayne Levinson Director since 1996 Independent</p>	 <p>Barbara (Barb) Loughran Director since 2019 Independent</p>	 <p>Robert A. McNamara Director since 2017 Independent</p>
 <p>Peter J. Robertson Director since 2009 Independent</p>		

Focusing on education and recruiting that grows diversity

Partnering with external diversity organizations to attract diverse talent



Partners include National Society of Black Engineers (NSBE), WTS, EqualEngineers and SAME

Developing and mentoring outstanding high school students in STEM fields



Jacobs teams with INROADS College Links and our clients to develop and mentor outstanding ethnically-diverse high school students who are interested in pursuing STEM-related career fields.

Local benefits to City and project to increasing diversity

WWTP Current Staff			
	Hispanics	Caucasian	African Americans
Male	2	30	4
Females	0	8	0

- Increase diversity of permanent staff by recruiting locally for new openings
- Identify relationships with City-based trade schools and organizations to provide internship/apprentice opportunities for skilled trades
- Annual internship for City resident attending a HBCU in STEM career path

Jacobs Engineering in collaboration with the American Job Center and SOWELA Technical Community College introduces

JACOBS JUMPSTART PROGRAM

- Six-week training, two nights per week (Based on NCCER Core Curriculum)
- No tuition cost for training
- Must be 18 years or older
- Potential for \$19/hour once classes are complete (No compensation during six-week classroom training)
- NCCER Core Certificate upon classes are complete

To apply, visit the American Job Center office, www.americanjobcenter.com/70266, or access the application from the QR code.

American Job Center
2424 3rd St. Lake Charles, La 70601
(337) 721-4010

AMERICAN WORKFORCE COMMISSION
AmericanJobCenter

Jacobs recruits qualified people in close proximity to our jobsites when possible to build local workforce and benefit local communities

Our commitment extends to local suppliers and subcontractors

**Jacobs continually
meets or exceeds
our contract goals**

with the Philadelphia Water
Department

One recent project had

**MORE THAN
50% DBE
PARTICIPATION**

**Jacobs achieved an
unprecedented**

57% DBE

PARTICIPATION

for the Philadelphia
Department of Aviation's
Capacity Enhancement
Program



Contract Term and Scope

Key Contract Information

- 20 year contract with two mutually agreed options for two year extensions (24 years in total)
- Scope includes:
 - Operation and Maintenance of the Wastewater Treatment Plant
 - Operation and Maintenance of the Combined Sewer Overflow facilities and systems
 - Various periodic studies to develop capital improvement plans and development of value-added projects for the City at the facilities
 - Provision to transfer operation and maintenance of the Renewable Energy and Biosolids Facility (REBF), including contracts with landfill for gas supply
- Oversight by City staff of contract with monthly and annual reporting requirements

Performance Guarantees Under the Contract

- Jacobs is providing several guarantees under a single-entity lump sum bid:
 - Combined Electrical Production and Usage
 - Biosolids disposal
- Desire to realize and potentially enhance original economic intent of power generation/biosolids drying investment by City
- Jacobs holds risk to achieve guarantees in financial bid cost under a single entity contract:
 - If biosolids drying goals not achieved, Jacobs spends more for biosolids processing and disposal
 - If electrical production and usage guarantees not achieved, Jacobs spends more for electrical purchases
- Jacobs is providing Guaranty and Performance Bonds as backing to its financial and performance commitments

Key Financial Aspects of Contract

- First year O&M costs are commensurate with current FY'20 costs
 - FY'21 (Year 1 of contract) cost of \$19.96M
- Base Fee is adjusted annually based on blend of publicly available indices published by US Bureau of Labor (US-BLS)
- Asset Management and Sludge Disposal Fees adjust annually based on CPI-WS (published by US-BLS)
- All adjustments have a cap of 3.75% and floor of 1.25% in any given year
- All repair and maintenance below \$250,000 is the responsibility of OMI/Jacobs
 - City will be responsible for funding various repairs and capital improvements during the life of the contract greater than \$250,000
- New Castle County expected to be responsible for 82% of the total O&M contract cost based on historical flow and loads to the WWTP
 - Final agreement still in negotiation between City and County

Value-Added Projects in the First Three Years

- Jacobs providing over \$10M of value investments to facilities and systems in the first three years of the contract
 - PJM Electric Grid study to determine net metering feasibility
 - Digester cleaning to improve gas production
 - Additional monitoring of CSO outfalls to minimize overflow events
 - New plant SCADA system to improve operability
 - Interim FOG receiving station to reduce risk to collection system and increase gas production
 - Innovation studies and workshops that will develop new projects to increase efficiency and drive new business opportunities.

Jacobs' proven approach transitions employees with care



Develop
Partnership
Agreement



Conduct
Employee
Workshop



Interview
New
Associates



Make
Employment
Offers



New
Associate
Orientation



Implement
Continuous
Training and
Development

1

2

3

4

5

6

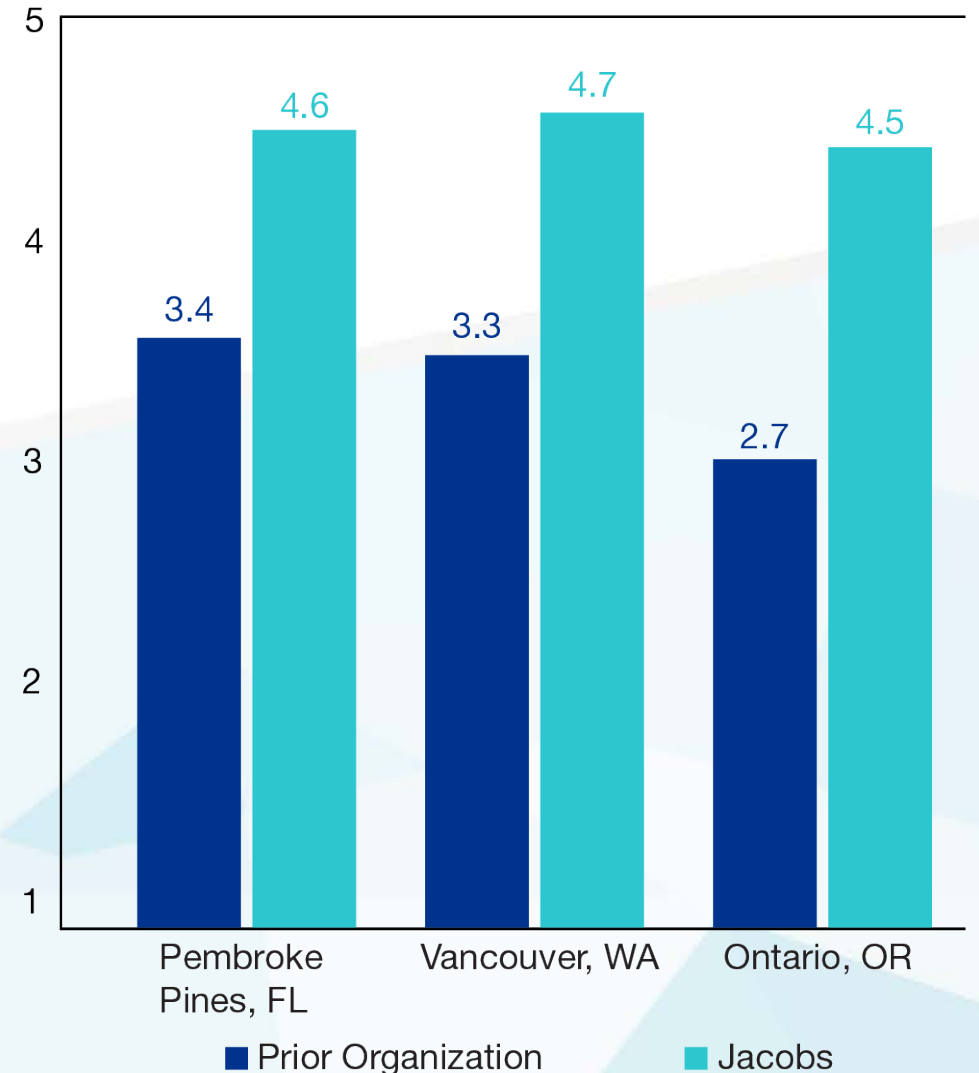
Employee satisfaction demonstrates our transition approach works

- Commitment to training and development
- Work/life balance programs
- Performance rewarded
- Career mobility

Our commitment is to hire the existing staff when possible

Year 1 Total Training
~10,000hrs

Employee Satisfaction Survey Results, Scale 1-5
(After Jacobs Assumes Operations)



Benefits of Jacobs Partnership to the City

- US-Based contract operator with long history of successful operations of water and wastewater facilities
- Company with depth of resources that can deliver all the needs (including engineering) for the WWTP and associated facilities
- Operating cost certainty for the next 20 years
- A long-term partner to contribute to the community. For example:
 - Hiring one intern per year from Wilmington attending a HBCU in a science or engineering program
 - A commitment to Greenhouse Gas (GHG) and Sustainability initiatives to meet the US Conference of Mayors reduction commitments
 - Sponsoring and participating in community events, such as Mayor's annual cleanup day
 - Partnering with City leadership on job training and diversity initiatives within the City





Thank you!

JACOBS®