P-3216 Operations and Maintenance Contract
REPORT AND RECOMMENDATION OF THE AD HOC OPERATIONS AND MAINTENANCE CONTRACT SELECTION COMMITTEE
August 17, 2026

Purpose: In 2024, the Commission of the Milwaukee Metropolitan Sewerage District (the District) established the Ad Hoc Operations and Maintenance Contract Committee (Committee) to review and make unbiased recommendations to the Commission for the award of a contract for the operations and maintenance of the District's sewer, conveyance, and treatment systems for the next ten years (2028-2038).

The draft contract, which the District proposed for 2028-2038, includes significant changes from the current contract. In addition to some shifts in risk-sharing between the District and the operator and a variety of other changes, the District desired to establish a more collaborative relationship with the operator; to implement more advanced data-driven tools and technology in order to better optimize treatment cost and performance; to implement more advanced data-driven tools and technology in order to increase preventive maintenance and reduce the costs of corrective maintenance; and to increase transparency by assuring full District access to all of the operational and maintenance data.

Committee Composition: The Committee consists of five former District Commissioners, four of whom have served as Commission Chair. In total, the five Commissioners have had 57 years of service on the Commission, including a total of eight years of service as Chair and 6.5 years of service as Vice Chair. One Committee member also served three years on District Ad Hoc Committees on Green Infrastructure Implementation Policy and on Strategic Policy Initiatives. Several had served on the Commission while overseeing the transition from public operation to contracted private operation, the transition from United Water to Veolia Water Milwaukee, or the subsequent decision to extend the Veolia Water Milwaukee contract in 2018.

None of the Committee members have worked for or been paid by either of the competing vendors. None are currently working for or being compensated by the District for their time spent as members of this Committee. They are serving the District on this Committee as unpaid volunteers.

The Competing Vendors: Two prequalified firms submitted proposals, Jacobs Engineering Group, Inc., (Jacobs) and Veolia Water Milwaukee, LLC (Veolia). Copies of their prequalification packages and of the District's request for proposal for Contract P-3216 are available by request through MMSD's Records Center, recordsrequest@mmsd.com.

Process: Each of the firms submitted extensive detailed written proposals in response to the District's request, followed by separate oral presentations to the Committee by each vendor's management team. Subsequently, each firm met with District staff in multiple technical review sessions that were attended by Committee members, where questions by District staff, vendor staff, and Committee members were discussed at length. The Committee also conducted a public hearing on June 11, 2026, which included a summary presentation regarding the proposed contract, followed by input from members of the public. The Committee also accepted written comments during a 30-day comment period.

In total, there were over 30 hours of presentations and meetings, including the technical question and answer sessions, in which Committee members were able to interact with, question and observe the management teams of the two vendors. This assisted in clarifying issues that may have been unclear from the vendors' written proposals

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alone. It also helped in evaluating the extent to which each of the vendors had thought through, figured out and planned how to implement the contractual changes which the District had proposed as well as the new or changed systems or approaches which the vendors had included in their proposals. Eight District staff reviewers also prepared a Comparative Proposal Evaluation that summarized the two competing proposals.

Since December 2024, in addition to the sessions described above in which the Committee received information from the competing vendors, the Committee met for nine sessions totaling 11 hours. This does not account for the time Committee members spent individually reviewing the District's draft and final requests for proposals, reviewing the vendors' written proposals, considering each vendor's strengths and weaknesses, and assigning points to each vendor on the categories other than price.

Evaluating the Proposals: Before the vendors' proposals were received, the District had decided that each proposal would be ranked by category, with points to be awarded as follows:

	Up to
Price	60 points
Company Approach	25 points
Staffing, Training and Corp Culture	10 points
Regional Approach	5 points

In recent months, former employees of Veolia and of the District have claimed through Common Ground, a community organization, that Veolia has failed in a variety of ways to properly operate and maintain the District's facilities. The Commission has decided to implement a third-party audit to investigate and address those allegations. That audit is separate and independent from this Committee's review and recommendation regarding Contract P-3216. The Committee's evaluation of the two competing vendors has been conducted on the basis of their respective written proposals and their presentations during Committee meetings and the technical sessions. The Commission will be in a position to determine how to address whatever the results of the separate audit may turn out to be. This Committee's ability to review and make a recommendation to the Commission regarding this contract was not inhibited or influenced by those allegations.

I. Price (Up to 60 points)

After the technical question and answer sessions had concluded, the vendors provided revised pricing information. District staff calculated the total ten-year estimated costs, based on the vendors' revised pricing information, as follows:

Veolia $679,158,925 Jacobs $625,088,898

The difference is $54,070,027. The District's standard proportional scoring model was applied. Under this method, the proposal with the lowest cost receives the maximum available compensation (pricing) points. Accordingly, Jacobs received 60.0 points. Veolia's pricing score was calculated by dividing Jacobs' cost by Veolia's cost, and multiplying the result by 60, which yielded 55.2 points for Veolia.

Scoring on Price: Jacobs 60.0 Veolia 55.2

II. Company Approach (Up to 25 points)

Jacobs

From their initial management team presentation throughout the technical question and answer sessions, Jacobs impressed the Committee. They had clearly taken a deep dive into District operations and were extremely well prepared. Jacobs includes what once was CH2MHill, the contractor which oversaw the District's Water Pollution Abatement Program (Deep Tunnel, plant upgrades, interceptor sewer upgrades) in the 1980s and early 1990s. Jacobs has also served the District as a contractor or subcontractor on numerous engineering and construction projects since then. Over and over again, Jacobs' presentations and answers to questions during the competition for this contract were responsive, clear, and painted detailed pictures of how they would operate. This was true with respect to plant operations, maintenance, and governance/collaboration with the District. Their program management structure clearly reflected the District's proposed contract, and their proposal and presentations reflected their understanding of and commitment to the District's 2035 Vision. Jacobs' depth and strength in engineering is recognized as a plus.

Jacobs convincingly demonstrated to the Committee that they could transition plant staff into adopting the new systems and technologies needed to optimize the District's performance. Jacobs explained in detail how they would use increased real-time operating information to better optimize performance, chemical usage, energy consumption and the like. They described how individual plant operators would receive specific recommendations or prompts on their cell phone, how individual operators' responses would be captured as well as the resulting impacts on operations. They explained how all this information enables Jacobs to identify the shop floor early adopters or thought leaders who can then be engaged to speed up the workplace culture change that is needed to achieve improved plant performance. There was clarity in these explanations because Jacobs was describing how they had already done this type of transition elsewhere in past, albeit smaller treatment facilities.

Jacobs clearly understood and was committed to achieving the District's goal of prioritizing Preventive Maintenance (PM) and implementing new asset management technology (Computerized Maintenance Management System (CMMS) with Next Gen). Their commitment to ISO-55001 asset management standards, inclusion of a Certified Reliability Leader (Kevin Dahl) in their staffing plan, and their acknowledgement of the importance of maintaining and controlling an inventory of kitting and parts in order to achieve the District's PM goals impressed the Committee. Their clear understanding of and experience with using digital tools and technology for PM and parts inventory management is an important plus. Jacobs' proposal initially included using some technology from Palantir, but, when a question was raised about Palantir by District staff, Jacobs responded that similar services are available from other vendors and that they would replace Palantir with another contractor if the District wished.

The thoroughness of Jacobs' preparation across the board was also illustrated by their review of safety issues, which pointed out some specific gaps in current safety protections in the District's plants. Jacobs' plan for addressing public complaints/odor issues was very timely, strong and comprehensive, clearly defined and understandable, and fully satisfied the District's goals.

Veolia

Veolia's presentations highlighted their intimate knowledge of the District's facilities and operations, and their history since 2008 of a high level of compliance with the District's permits and contractual requirements. In essence, Veolia has proposed to continue current service with modest changes. If Jacobs' approach could be considered a "fresh start," Veolia's seemed to be more "old school," or set in their ways. Veolia proposed a complex governance structure that differed seriously from the District's proposed draft contract – creating numerous committees and layer upon layer of oversight bodies (additional committees). This appeared to be more complex and cumbersome and less flexible and nimble than the collaborative governance sought by the District.

The Veolia management team is staffed with many talented and competent individuals. However, when asked how changes that the District contract will require or those that Veolia has proposed will be implemented, their answers were often hesitant, confusing, or resulted in statements like, "We will need to figure that out", or that, "We will have to work that out with the District in committee." Veolia stated that plant staff would look at dashboards for guidance, but gave no clear explanation of how that would work. This was the case with respect to how to implement more real-time data driven operational instructions or recommendations, as well as with implementing CMMS. With regard to other maintenance issues, rather than demonstrating a real commitment to achieving the District's goal of reducing corrective maintenance by prioritizing and greatly increasing PM, Veolia pushed back on that goal, suggesting at one point in a meeting that the District's goal was not achievable. (The District staff Comparative Proposal Evaluation of Veolia's staffing plan concluded that Veolia did not include enough staff to get the needed amount of PM done.) One takeaway by the Committee from Veolia's proposal and presentations seemed to be that Veolia's shop staff may be good at or interested in fixing things, but less good or interested in preventing them from going bad – and that Veolia's strategy for improving this would be training. Veolia referred repeatedly to locating its Hubgrade facility/operation here in Milwaukee, but what that would consist of, and how and to what extent the District would have access to it or benefit from it was not clearly defined or explained. It seemed to the Committee that Veolia had not brought a lot of new ideas – some of its proposed pilots had previously been considered and rejected, and some others have been tried and were not effective. Veolia's inclusion of Stantec engineering is a plus, which could assist with maintenance and operating questions or issues.

Veolia's safety record has been very good, and their safety and security proposals were excellent. Veolia initially proposed an unacceptable plan for addressing public complaints/odor issues, but seemed during the ongoing sessions to come to understand and accept the District's goals for this issue.

Committee Scoring on Company Approach:
(the average of individual Committee members' scores)

Jacobs 22.8 **Veolia 17.6**

III. Staffing, Training, Corporate Culture, Workforce Development (Up to 10 points)

Jacobs

Jacobs included 9.5 new staffing positions, and how they were allocated seems appropriate. Jacobs offers strong leadership in Kevin Dahl, a highly experienced wastewater operator, professional engineer (PE) and Certified Reliability Leader. Their leadership team is diverse and possesses excellent credentials and experience. None missed a beat during the question and answer sessions. Jacobs has a "people first" approach to corporate culture that seems to be genuine and was shown with the company's previous projects. Jacobs recognized that cultural reinforcement is a continuous process, not a one-time thing. New leadership at the executive and project management level would provide an opportunity for structural reset and cultural change. Jacobs' partnership with Prism and P3, current District contractors on workforce development, is a plus. The Committee is aware that Jacobs operates unionized facilities elsewhere, has had discussions with the four unions representing current Veolia staff, and has committed to negotiating contracts with them.

Veolia

Veolia's staffing plan adds 12 positions, which is a plus, though whether the two data integrity positions are needed is a question. Their proposed staffing may not be sufficient for PM needs. Paul Keppler is an excellent project manager and is highly respected but is not a certified operator and has limited experience in wastewater treatment operations. Veolia's other leads are strong, except for its asset management lead, according to the staff Comparative Proposal Evaluation. Current staff dealings with Veolia employees indicate morale is not great. Veolia has been addressing some past issues with corporate culture and respect for workers. Veolia Academy is a plus for workforce development. Veolia has contracts in place with all four unions representing its employees.

Committee Scoring on Staffing,Training, Corporate Culture, Workforce Development:
(the average of individual Committee members' scores)

Jacobs 9.3 **Veolia 7.1**

IV. Regional Partnership (up to 5 points)

Jacobs

Jacobs provided strong examples of community support at its locations elsewhere, and proposed to align its community efforts here with the District's strategy and 2035 Vision. Possible examples included support for fishing piers, river access, UWM, and Watermarks. Jacobs has shown less visible community engagement to date, even though it has long been in Milwaukee.

Veolia
Veolia's team, with Ghassan Korban and Ashanti Hamilton, is strong. Veolia has been a good partner in the region and it clearly described areas in which it would continue to contribute to the region, including through its Hubgrade Center, supporting renewable energy, and contributing to public amenities.

Committee Scoring on Regional Partnership:
(the average of individual Committee members' scores)

Jacobs 4.7 **Veolia 5.0**

Conclusions and Recommendation: When the points awarded to each of the competing vendors by the Committee on the non-price categories are added to the points based on price, the following are the resulting total points for each vendor:

Average Total Scoring: **Jacobs 96.8** **Veolia 84.9**

The competitive process established by the Commission resulted in qualified proposals from Veolia and Jacobs. It is clear to the Committee that both vendors are capable of successfully operating the District's facilities. The intensive and extensive review of both vendors' proposals by this Committee, including many hours of questioning of each vendor's team by District staff and by Committee members, is the basis for the above evaluation and the following conclusions and recommendation.

From one perspective, Veolia, as the current operator, has the advantage of knowing how everything is currently being done, and being intimately aware how the District's unique facilities may differ from any other, as well as the ways in which the District's needs, policies and constraints may differ from those elsewhere. However, that history can also be a drawback, as the new contract requires implementation and use of new tools and technologies as well as a much more collaborative relationship with the District. For Veolia, a new contract would mean that the workforce would not be transitioning to a new employer, but Veolia and the workforce would both be transitioning to operating facilities in which the way things have been done (operations, maintenance, and vendor-owner relationship) will be significantly changed. Time and time again, it seemed to the Committee that, while Veolia would need a change of thought process in order to successfully implement the changes contained in the next contract, Veolia was not ready to do so.

On the other hand, Jacobs has not operated the District's facilities. If awarded the contract, it will have a significant amount to learn. But, its team includes numerous individuals who worked on the design and construction of the District's facilities, and others who have worked on numerous projects for the District over the intervening years. The thoroughness, thoughtfulness, and level of detail shown by the Jacobs team in their proposal and in the technical question and answer sessions demonstrated to the Committee that they will be able to learn what they will need to in the lengthy run-up to the start of a new contract. A contract with Jacob will also maintain 180+ Veolia employees who have been operating and maintaining the District's facilities. The Jacobs team has convinced the Committee that they are quite capable of transitioning those employees to them as a new employer, and also capable of successfully transitioning that talented workforce to making good use of improved tools and technologies. That will help the employees under the new contract to more easily and more effectively treat and reclaim the region's wastewater and return even cleaner water into Lake Michigan.

To summarize, the Committee recommends awarding Contract P-3216, Operation and Maintenance of Water Reclamation Infrastructure, to Jacobs Engineering Group, Inc., for the following reasons. Awarding the contract to Jacobs will provide the District with:

1) A significant price/cost advantage, estimated at $54 million in savings over the 10-year contract period;
2) An operator with a much more systematic approach and considerably greater experience with implementing and using data driven, real-time tools and technology in operations and maintenance, which is crucial to achieving the District's goals for the next 10 years;
3) An operator whose proposals and approach to staffing, training, and corporate culture were superior; and

4) An operator whose proposals and approach to workforce development and regional partnership were approximately equivalent to or as highly rated as those of Veolia, the current vendor.

Respectfully submitted this 17th date of August, 2026, by:

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Dennis Grzezinski, Chair

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