



September 1, 2026

Kevin Shafer
Executive Director
Milwaukee Metropolitan Sewerage District

Dear Kevin:

I am writing on behalf of Veolia to express our serious concerns regarding the conclusions and recommendations advanced by the Milwaukee Metropolitan Sewerage District's Ad Hoc Operations and Maintenance Contract Selection Committee (Ad Hoc Committee) for the next 10-year contract for wastewater operations.

Over the last week, we have reviewed the Ad Hoc Committee's conclusions as well as the underlying data it released. It has become clear to us that the recommendation relies on assumptions from the recommended vendor that materially understate the costs, risks and workforce needs for operating the system. As a result, we believe the committee's conclusions present an incomplete and misleading picture to the District, ratepayers, and the Greater Milwaukee community.

Unexplained Cost Differentials

The memo prepared by the Ad Hoc Committee and statements made by members at the meeting on August 17 clearly indicate that cost savings were the primary determining factor in their recommendation to select Jacobs Solutions. Based on our review, the Jacobs proposal's labor costs would be **approximately 8% lower than the documented costs of the current workforce**. The Ad Hoc Committee accepted this claim at face value, without questioning how Jacobs proposes to cut approximately \$23 million in wages and benefits as a direct cost. The Commission must ask the questions that the Ad Hoc Committee did not:

- Does Jacobs propose to cut wages and/or benefits for over 200 union employees by 8%, contrary to the assurance in its bid proposal?
- Does Jacobs propose instead to cut the number of union employees working at the plants, creating risks to safety, maintenance and environmental compliance?
- Does Jacobs propose to assign existing union workstreams to non-union contractors?
- Has Jacobs met with union leaders to negotiate a tentative 8% wage and benefit cut prior to submitting their cost proposal? Did the unions agree?

The Ad Hoc Committee also accepted, without question or analysis, another remarkable cost difference in the Jacobs proposal. Jacobs proposes to clean large sewer lines at a per-unit cost that is **a full 90% lower than Veolia's proposed cost**. Based on our considerable experience cleaning large sewer lines in Milwaukee and elsewhere, it is impossible to properly maintain this sewer system for the ~\$2.8 million cost that Jacobs proposed. Veolia proposed to spend ~\$32 million over the course of the 10-year contract on this specific work. This cost is based on decades of experience in Milwaukee and is supplemented by market-rate quotes from independent third-party vendors. The implications of this difference are serious: Improperly maintained sewer lines reduce system capacity, increase the risk of blockages, and do not protect homes and neighborhoods during severe weather. The Commission must ask the questions that the Ad Hoc Committee did not:

- Does Jacobs seriously propose to conduct the same amount and quality of sewer cleaning at 90% less cost? How is that achievable?
- Does Jacobs propose to assign existing union workstreams to non-union contractors?
- Does the estimated cost include the additional expense of the deep sewer line work required in Milwaukee?
- Who bears the cost if Jacobs' original cost estimate is insufficient?



Unexplained Palantir Substitution

The Ad Hoc Committee also revealed the shortcomings in its work by accepting at face value Jacobs' assertions that it would update the District's treatment technology without using Palantir, its longtime wastewater technology partner. Jacobs has touted its use of Palantir technology in other contracts and has issued press releases promoting their partnership, and has never disavowed Palantir despite the many revelations about its controversial business practices. However, the Ad Hoc Committee offered Jacobs the unusual opportunity during the procurement process to update its submission and claim it "can explore other providers" for its technology.

To date, Jacobs has not identified an alternative to Palantir, nor explained the costs, capabilities, implementation schedule, data governance, cybersecurity, privacy, integration of a new technology vendor – **and whether it could deliver the efficiencies and cost savings claimed in Jacobs' original proposal.** Did the committee or MMSD make any promises or representations about who would bear the cost of replacing the data vendor and if so, what was the outcome? The Ad Hoc Committee did not seek to understand the **social, community and cultural impacts** of Jacobs' technology provider, and did not explain how allowing Jacobs to make a material change to its proposal after submission comports with the District's expectation of a level playing field for this critical procurement.

Serious Procedural Flaws

While the Ad Hoc Committee members are well-respected former Commissioners and their work was well-intentioned, we have learned that the Committee review and interview process was marked by a lack of robust participation and consideration. It is our understanding that only two of the five Committee members took on the bulk of the work, attended formal discussions and drafted the memorandum in support of their recommendation. The other members did not query the bidders, or at least not Veolia, about glaring price differentials that raised obvious questions for how the District would implement their work, and they allowed one bidder, Jacobs, to materially alter its proposal months after submission without exploring its impact. The Commission deserves better than to have a recommendation of this magnitude essentially decided by two people. The Milwaukee region deserves better when it comes to the future of our rivers, lakes and homes, and for the prosperity of our union workers and their families.

A Path to Preserve the Process

While the creation of an Ad Hoc Committee may have been a good idea in concept, it has not vetted important assumptions built into the much-touted cost savings. The Commission must conduct its own comprehensive review of the two proposals and meet with each team to conduct proper oversight of this process. The Commission needs to be able to ask questions and make its findings available and transparent for the public, especially when they implicate issues of public interest like local wages and benefits, workforce stability, operational reliability, safety and long-term system performance, and environmental and property protection. **Only the Commission can be accountable to its citizens and constituents on these important matters.**



For this reason, Veolia respectfully requests that the Commission review the entirety of the procurement record, rather than rely solely on the Ad Hoc Committee recommendation, before taking action on RFP P-3216. The discrepancies identified above, and any others that may emerge from that review, warrant the Commission's direct attention. Veolia twice requested a delay in this process and the concerns that prompted those requests have since materialized. We recognize that reviewing these materials so close to the procurement's scheduled conclusion may create logistical inconvenience, but that inconvenience is preferable to concluding a procurement that has clearly developed flaws simply to meet an arbitrary deadline. Getting this right is the better course for the proposers, the District and the ratepayers the District serves, and the 1.1 million people who rely on the District to protect their environment and Lake Michigan.

Sincerely,

A handwritten signature in blue ink that reads 'Joseph A. Tackett'. The signature is fluid and cursive, with a long horizontal stroke extending from the end.

Joseph A. Tackett

Chief Executive Officer, Municipal Services

Veolia North America