



**Title:** Stantec Engineering – 2026 Letter of Engagement

**Report From:** Shawn Louwagie, City Engineer

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<b>Action Requested:</b>	<input type="checkbox"/> Informational	<input checked="" type="checkbox"/> Motion	<input type="checkbox"/> Public Hearing
<b>Form of Action:</b>	<input type="checkbox"/> Resolution	<input type="checkbox"/> Ordinance	<input type="checkbox"/> Contract/Agreement
	<input checked="" type="checkbox"/> Other	<input type="checkbox"/> NA	

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#### Summary Statement

Stantec provides engineering consulting services for the City of Delano. An increase in their hourly rates has been requested for 2026.

#### Recommended Action

1. Authorize the requested engineering rate increase average of 5%
- 2.
- 3.

#### Core Strategies

- |  |   |
|--|---|
| <input checked="" type="checkbox"/> Comprehensive Services to meet needs | <input type="checkbox"/> Engage and Informed Community            |
| <input type="checkbox"/> Maintain financial sustainability               | <input type="checkbox"/> High-Performing team of public servants  |
| <input type="checkbox"/> Conscientious asset/infrastructure mgmt.        | <input type="checkbox"/> Safe and healthy community               |
| <input type="checkbox"/> Sustainable and planned growth                  | <input type="checkbox"/> Maintain and protect community strengths |
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#### Background

The attached letter from Stantec requests a general rate increase of 5% for engineering services. The city receives two different billing rates for personnel, a “City Rate” and a “Standard Rate”.

The Standard Rate is the market rate for engineering services and is used for development application projects. These engineering costs are not borne by the City, but are instead pass through costs which are billed to the developers. The City rate is discounted approximately 20% from the Standard rate and would be used for City funded projects, such as the street reconstruct projects. Staff is recommending approval of the rate increase.

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## Financial Consideration

Is there a financial consideration?

☐ No

☒ Yes

Financing Source:

☐ Budgeted

☐ Budget Modification

☐ New revenue source

☐ Use of revenues

☒ Other

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## Attachments:

☒ Stantec 2026 Letter of Engagement for Engineering Services

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Stantec Consulting Services Inc.  
One Carlson Parkway, Suite 100 Plymouth, MN 55447

Date: December 29, 2025

**Attention:**

Shawn Louwagie  
Delano City Engineer  
City of Delano  
234 2<sup>nd</sup> St N  
Delano, MN 55328

**Reference: 2026 Letter of Engagement for Engineering Services**

Dear Shawn,

On behalf of Stantec, I would like to thank you for the continued opportunity to provide engineering services for the City of Delano. We sincerely appreciate the trusted relationship that has been developed over the many years, and we look forward to assisting in Delano's continued growth.

As a trusted partner to the City, we work to maintain extremely market competitive rates while providing a high level of service to the community. We have a committed team to servicing the City of Delano comprised of the key team members noted below with the following rate adjustments.

**Rate Structure**

The rate structure and billing procedures will remain the same.

- We will continue to eliminate certain charges such as Council meeting time past 1 hour and direct mileage charged to City projects. We are proud to provide this discounted, local service while maintaining industry-competitive hourly rates.
- Our day-to-day work will continue to be billed on an hourly basis, and our billing rate table will still include two rates for each person: a standard rate and a discounted city rate. The standard rates represent the market rate for each person, while the city rate is discounted from standard/market rates on average about 20%. The city will continue to benefit from discounted rates based on the volume of work.
- Below is a rate table showing rates from 2025 and proposed 2026 rates for key City Staff, which are discounted below the standard hourly rates. The increase in the average hourly rate to these key individuals is 5.0%.
- While these are the key staff that serve the city on a day to day basis, Stantec has a larger team ready to serve the City of Delano. Those individuals not identified in the table below will continue to be billed utilizing standard rates and a discounted rate of 20% below the standard rate.

Key Individuals	Current 2025		Proposed 2026	
	City Rate	Standard Rate	City Rate	Standard Rate
Nick Wyers (Project Engineer) (L12)	\$147	\$184	\$152	\$190
Adam Noreen (Senior Construction manager) (L11)	\$141	\$176	\$147	\$184
Joe Elsenpeter (Engineer in Training) (L8)	\$117	\$146	\$125	\$156
Jamie Sanchez (Surveyor) (L10)	\$133	\$166	\$140	\$175

### **Budget Controls**

As in the past, as professional services are needed for projects, we will provide specific budgets for those services prior to performing the work.

Small, general tasks as directed by you and public works staff will continue to be tracked via the general engineering budget. All work will continue to be reviewed and invoiced monthly. These reporting standards will be maintained which will assure that costs are controlled within overall city budget restraints.

Three ways our partnership helps control costs for the City of Delano:

- For you, Shawn, in helping delegate work as needed to Stantec.
- Delano's main Stantec support staff live locally and are able to respond to issues quickly and efficiently.
- Continuing to keep staff familiar with the City to most effectively operate as an extension to City staff.

As we continue to monitor engineering costs, we will review project costs measured as a percent of construction together and make modifications if necessary to stay at or below industry averages. Over the past few years, construction costs have increased significantly all the while we continue to reduce our percent of construction costs to the best of our ability. This ensures scopes and budgets are in alignment with City expectations and financials. All projects will continue to require a budget approved by the City before starting work.

On behalf of Stantec, thank you for the opportunity to continue to work with the City of Delano. We appreciate your consideration of this request and welcome any feedback for Stantec as we strive to continue to provide unmatched service to the City of Delano.

Sincerely,

**Stantec Consulting Services Inc**

*Nick Wyers*

**Nick Wyers, PE**

Associate, Civil Engineer

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