

**MWD**

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

July 15, 1993

To: Board of Directors (Engineering and Operations Committee--Information)

From: General Manager

Subject: Contract with the State of California, Department of Water Resources to Provide Machining Services

Report

In 1982, Metropolitan staff learned that the Department of Water Resources (DWR) was budgeting for a heavy maintenance facility for the State Water Project (SWP). As the primary contractor with the SWP, Metropolitan (MWD) would have had to fund the major cost of such a facility. Since MWD was in the process of expanding its Special Services maintenance facility at the La Verne complex, it was suggested that DWR withdraw its budget proposal for a heavy maintenance facility and enter into an agreement with MWD for providing needed repair services. Such an agreement would not only save State Water Contractors the cost of the State building and staffing its own maintenance facility, but DWR would have the services of highly skilled machinists experienced in working on the types of equipment it needs repaired. MWD would further benefit by ensuring that its machine shop was fully utilized.

The State accepted MWD's suggestion, and in July 1983 entered into an agreement with Metropolitan, through DWR, for MWD to provide required machining services for which MWD would bill the State, to a maximum of \$125,000 for the term of the contract. The contract was approved by your Board in August 1983.

The contract has been amended five times since 1983; the last amendment covering July 1991 through June 1997 with maximum annual billings not to exceed \$1,000,000. This last amendment covers DWR's program to replace 32 pump impellers and repair the remaining units at its California Aqueduct pumping plants.

Annual billings under this contract for the last five fiscal years are shown below.

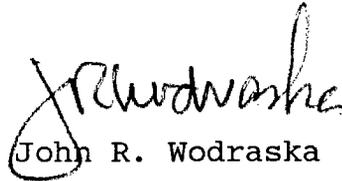
Fiscal Year	88-89	89-90	90-91	91-92	92-93
Budgeted	\$150,000	\$150,000	\$1,000,000	\$1,000,000	\$1,000,000
Actual/ Anticipated	\$148,300	\$ 68,500	\$ 959,900	\$ 351,300	\$ 990,000

Board Committee Assignment

This letter is referred for information to the Engineering and Operations Committee because of its authority regarding the operation and maintenance of facilities required for the delivery of water and engineering aspects of the State Water Project facilities, pursuant to Administrative Code section 2431, subdivision (c).

Recommendation

For information only.


John R. Wodraska

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