



MWD

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

7-9

April 17, 1998

To: Board of Directors (Organization and Personnel Committee--Action)

From: *for* General Manager



Submitted by: Susan K. Walker
Manager of Business Development



Subject: Business Development Program: Approval to Provide Services for a Fee to Operations Management International, Inc. (OMI)

RECOMMENDATION(S)

It is recommended that the Board of Directors authorize Metropolitan to provide professional services for a fee to OMI, Inc., in an amount not to exceed \$240,000, pursuant to an agreement approved as to form by the General Counsel.

EXECUTIVE SUMMARY

Operations Management International, Inc. (OMI), a global leader in the management of water and wastewater facilities, has approached Metropolitan staff requesting professional assistance. OMI is a member of the employee-owned CH2M HILL, Ltd., family of companies and is currently managing several water projects for municipalities. They use a "teaming" approach to obtain 'world class' benchmarks by gathering experts in various fields to participate on projects.

OMI has requested that Metropolitan provide advisory services on an as-needed basis, in water management areas including resource planning, water operations training, and water quality assurance. These advisory services may be performed via telephone, teleconferencing, on-site project meetings, or in Metropolitan's offices.

Metropolitan's "Guiding Principles on Business Initiatives" require Board of Directors' approval for non-member agency services. This is an excellent opportunity for Metropolitan. It meets the Board-adopted criteria for Business Development, in that it provides an avenue for staff to enhance their technical expertise and teaming experience as well as provide Metropolitan with additional revenue.

PROPOSAL TO PROVIDE SERVICES

- Requester:** Operations Management International, Inc.
(A CH2M Hill Company), Greenwood Village, CO
- Services Requested:** Professional water management advisory services on an as-needed basis.
- Purpose:** To provide advice, as part of a team, on various water management and operations projects.
- Date Required:** Over a two year period.
- Resources Required:** Existing professional level staff, existing reports and occasionally, various technical staff.
- Risk and Mitigation:** Metropolitan's work will be covered under its current Workers Compensation and under the new Professional Services and Product Liability Insurance.
- Contract Value:** Not to exceed \$240,000. All direct costs will be reimbursed as well as approximately \$80,000 contributed to fixed costs.

COMPLIANCE WITH BUSINESS DEVELOPMENT POLICY AND GUIDELINES

- (1) **Mission Related and Expertise:** Metropolitan possesses expertise in the area of water resources management and operations.
- (2) **Expanded knowledge:** Metropolitan's staff will expand their expertise through team participation in water management issues.
- (3) **Business Case:** The anticipated revenue will cover all direct costs, and also contribute to Metropolitan's fixed costs.