



April 17, 1998

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

From: *for* General Manager Edward J. Meigs III

Submitted by: Susan K. Walker
Manager of Business Development Susan K. Walker

Subject: Business Development Program: Approval to Respond to a Request to extend and increase the value of its contract with the Orange County Water District from \$160,000 to \$360,000.

RECOMMENDATION(S)

It is recommended that the Board of Directors authorize Metropolitan extend and increase the value of its existing service contract with the Orange County Water District from \$160,000 to \$360,000 pursuant to a contract amendment approved as to form by the General Counsel.

EXECUTIVE SUMMARY

In 1995, Orange County Water District contracted with Metropolitan's Water Quality laboratory to furnish disinfection by-product analytical services. The original contract was amended in August, 1996, and again in 1997 to permit increases in contract value. The current contract expired March 1, 1998; its cumulative value was \$100,000. The Orange County Water District has requested that Metropolitan extend the contract for the analytical services and increase the amount payable to Metropolitan from \$160,000 to \$360,000 and continue work on the Santa Ana River Study.

Metropolitan's "Guiding Principles on Business Initiatives" require Board of Directors' approval to provide member agency services that exceed \$250,000. This opportunity has been evaluated and meets the Board-adopted criteria for Business Development. It allows Metropolitan to gain more experience in the area of disinfection by-product research, and provides additional revenue.

PROPOSAL TO PROVIDE SERVICES

- Requester:** Orange County Water District.
- Services Requested:** Disinfection By-Product Analyses for the Santa Ana River Water Quality and Health Study
- Purpose:** Assist the Orange County Water District to obtain the health and regulatory approval of existing and future recharge operations from the California Department of Health Services and the Regional Water Quality Control Board.
- Date Required:** Open
- Resources Required:** Existing labor, equipment, and materials.
- Risk and Mitigation:** Metropolitan's work will be covered under the new Professional Services and Product Liability Insurance.
- Contract Value:** \$360,000

COMPLIANCE WITH BUSINESS DEVELOPMENT POLICY AND GUIDELINES

- (1) **Mission Related and Expertise:** Metropolitan possesses unique expertise in the area of Disinfection By-Product Research as required by a large water agency.
- (2) **Expanded technical knowledge:** Metropolitan staff will continue to expand their expertise in this area through continued application of Disinfection By-Product Analyses techniques.
- (3) **Business Case:** The anticipated revenue will cover all direct costs, and also contribute to Metropolitan's fixed costs.